H.R. 1408—VETERANS' EMPLOYMENT AMENDMENTS OF 1985

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING, AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

FIRST SESSION

MARCH 19, 1985

Printed for the use of the Committee on Veterans' Affairs

Serial No. 99-8

U.S. GOVERNMENT PRINTING OFFICE
48-011 O WASHINGTON : 1985

H761-22.

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H.R. 1408—THE VETERANS' EMPLOYMENT AMENDMENTS OF 1985

TUESDAY, MARCH 19, 1985

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION,
TRAINING AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 1:02 p.m., in room 334, Cannon House Office Building, Hon. Thomas A. Daschle (chairman of the subcommittee) presiding.

Present: Representatives Daschle, Kaptur, Bryant, McEwen, and Solomon.

OPENING STATEMENT OF CHAIRMAN DASCHLE

Mr. DASCHLE. We will begin, and I want to welcome everyone.

The focus of our meeting this afternoon is to review H.R. 1408, the Veterans' Employment Amendments of 1985. This bill extends and expands the Emergency Veterans Job Training Act, Public Law 98-77, and makes improvements in the Veterans Readjustment Appointment Program.

February 28 was the last date that veterans could apply to participate in this program. September 1 is the date by which a veteran must be placed in a Job Training Program. But even with these limitations, by recent accounts the program is working. On March 11, data was released indicating that over 300,000 veterans have been certified and recertified for employment. More than 43,000 employers have been approved. They have been provided over 100,000 job slots, and 26,000 veterans placed in jobs thus far.

H.R. 1408 addresses time. H.R. 1408 will give veterans until December 31, 1985, to apply for certification. It will give them until July 1, 1986, to be placed on a job, and it reduces the 15-week unemployment criteria to 5 weeks.

H.R. 1408 also makes improvements in the VRA Program. Section 3 of our bill raises the current maximum grade of GS-9 to GS-11 in VRA and eliminates the current 14-year education restriction for a nondisabled veteran.

H.R. 1408 doesn't go as far as it might. I recognize that, as its prime sponsor. But it does address long-term solutions to chronic problems of veterans unemployment. It isn't the final form, but it is a form to give us a beginning. It is a start. This hearing is crucial to giving us the opportunity to go beyond just a good start.

There are 416,000 veterans out of work and $50 million remains in the current program under this act. If we have the dollars, if we have the veterans, if we have the employers, then we should have the time, the time to allow the program to work the way it was intended, and the time to give veterans a better shot at available employment opportunities.

That is my opening statement. A formal statement will be provided for the record.

[The statement of Mr. Daschle appears at p. 45.]

Mr. DASCHLE. At this time I yield to a good friend, the Member representing the minority this afternoon, Jerry Solomon.

Mr. SOLOMON. Thank you very much, Mr. Chairman.

Mr. Chairman, let me welcome you as the new chairman of this subcommittee. It is a pleasure to have you here. I was the ranking Republican under Marvin Leath over the last term of this subcommittee and have changed over to the Compensation Subcommittee, but I still have the privilege of serving on this subcommittee. We welcome you aboard as the chairman, and we certainly welcome our witness who is testifying today, Congressman Florio from New Jersey.

Congressman McEwen, the new ranking Republican, is on his way here. He will have a short statement when he gets here, but I think we might as well proceed, Mr. Chairman.

Mr. DASCHLE. Very well. Thank you.

At this time we yield to our mutual friend, one who has worked on a number of issues very well in the Congress, an able member of the House Veterans' Affairs Committee, the member from New Jersey, Mr. Florio.

Jim, if you want to proceed, you may do so at this time.

STATEMENT OF HON. JAMES J. FLORIO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. FLORIO. Thank you very much, Mr. Chairman, Mr. Solomon. I am pleased to be here.

In the interest of conserving the committee's time, I have a prepared statement that I would like placed in the record in its entirety and I will summarize and highlight the points that I think are of significance.

Mr. DASCHLE. Without objection.

Mr. FLORIO. Thank you very much.

I am pleased to be here to lend support and cosponsorship to H.R. 1408, the Veterans' Employment Amendments of 1985 to the Emergency Veterans Job Training Act.

Mr. Chairman, I have firsthand knowledge of this situation involving the less-than-adequate performance record under this law coming from an event that occurred in New Jersey on the 11th of March. I sponsored, along with the Veterans' Administration, the New Jersey Department of Labor and a number of veterans' organizations, an event which I believe may be relevant to all of us. We called it Operation Match, Veterans and Employers. It was a 1-day event which, in effect, was the largest veterans job fair of its type ever to be held in my State. The scope of the success is yet to be

fully determined, but it is clear by all objective analyses that it is going to be regarded as an extremely successful event.

We had 750 veterans turn out for Operation Match, a number which is the largest we have had in any comparable event in the recent past. The veterans that came were clearly lacking in complete information about the appropriate procedures to follow under this Job Training Program, and we, of course, made that information available to them.

In sum, it was absolutely obvious to all of us that more outreach is required if we're going to match the employers with the veterans. This type of a function is clearly the type of thing—and this isn't the exclusive mode—but it is the type of thing we may very well want to institutionalize in some way.

Fortunately, the large number of veterans attending were able to benefit from the hard work that was done by those organizing the event. Some 107 employers showed up and participated through the course of the whole day. So, as you can see, we had a good number of employment opportunities that came out of this event.

As I said, it was an unprecedented occurrence in our area. It was not only for the jobs that are going to flow, although some have already resulted from this, but we had, by virtue of the participation of the various veterans organizations, we had an opportunity for veterans to gain information on topics that they were likewise concerned about other than jobs. We had representatives from our State agent orange commission, our educational testing service, a number of other organizations, the veterans service organizations from the counties that were being served, that this was clearly a beneficial event to all.

I would like to support strongly an extension of the Emergency Veterans Job Training Act as called for under the legislation. I can't emphasize too strongly the importance of outreach and awareness, that people really aren't as fully informed as they should be about what is in the program.

I, just as an aside, put together a public service announcement with Mr. Ron Jaworski, who is the quarterback for the Philadelphia Eagles, that was supported by the veterans organizations. We ran it on local television. We had the sound track distributed to 22 radio stations in the Delaware Valley—that is, Pennsylvania, New York, and Delaware. It was played and it was clear that it was in large measure responsible for the good turnout that we had at our event. The veterans organizations, as I said, played an equally strong part.

I would like to recommend that provisions be made in the upcoming extension of the act to increase the amount of outreach that is being done. I will share with the subcommittee and the full committee the details about how we put this together, and it may be something that other members of the committee or the Congress may see fit to duplicate or to modify and use under the appropriate circumstances.

My concluding point, Mr. Chairman, is that in my State, as an example, there is really not much that has been done. We have not had a high degree of success, and I think in large measure it is not because the need isn't there. We have some 400,000 New Jersey veterans who are Vietnam- and Korean-era veterans and are there-

fore eligible for this program. And yet the State has really only matched, during the history and duration of this law, 288 veterans with jobs. That leaves something to be desired and I am hopeful that this type of Outreach Program, with the extension of the program, will enable us to make better use of this program than we have up to this point.

Thank you.

[The statement of Mr. Florio appears at p. 49.]

Mr. DASCHLE. Thank you very much for your testimony.

Mr. Solomon.

Mr. SOLOMON. Mr. Chairman, I don't have any questions, except to say to the Congressman that I certainly would be interested in the program that you put on. If you could give us the details, I think it is something that every Member of Congress ought to have.

When Congressman Leath and I originally began to draft this legislation there was a tremendous need, tremendous unemployment of Vietnam veterans and disabled veterans around this country. Even though the program has not been an overwhelming success, it has provided jobs for over 26,000 young men who really needed them. There are still another 300,000 already eligible and waiting. So I really do thank you for your testimony. We will look forward to trying to implement some of your ideas into making the program even more successful.

Mr. FLORIO. If the gentleman will yield, I will make available for the record a photograph that was taken at the Camden County Community College where this was held.[1] Quite frankly, it looks like something out of the Depression era. You can see in a sense the frustration, the volumes of people that were there, willing to take part in almost anything that would provide them with an opportunity to hook up with a job.

So this bill is certainly needed. There are great numbers of people out there who are still in need of job opportunities, who fall into the categories of eligibility under the statute, and I think there is much more we can do.

Mr. SOLOMON. Very good. Jim, thanks very much for coming before us.

Mr. FLORIO. Thank you.

Mr. DASCHLE. Thank you, Jerry.

I applaud your statement. If we have an outreach program, maybe we should recommend it to the VA as well. I think that might be where part of the problem is. Maybe we should call it inreach. It seems to me, given the figures that you articulated, the fact that we have 300,000 veterans who have been certified and recertified for employment, 43,000 employees who have been approved, 100,000 jobs available, and only 26,000 placed, something is wrong. It isn't working the way it should, although I think it is beginning to work better than it used to. I think your testimony certainly adds to that conviction.

I think the concept that you suggest here is excellent. Operation Match would really interface very well with this bill, would it not?

Mr. FLORIO. Yes, I think it would. And I will make a point of putting this together in a fairly succinct package, sharing it with the

[1] Retained in committee files.

subcommittee for their use and distribution, if they see fit to make use of it.

Mr. DASCHLE. Do you think, with the way Operation Match worked in New Jersey, that you could almost incorporate it in the bill itself?

Mr. FLORIO. I think it may very well be that we want to consider institutionalizing the concept, that there may be different problems in different areas that would provide it not being absolutely mandatory that this specific thing be done and applicable everywhere. But the concept is a good one and I think that it should have some statutory authorization for outreach programs, however we define them.

Mr. DASCHLE. Do you have available to you the total number of jobs that have actually been matched in New Jersey at this point?

Mr. FLORIO. Yes, I do, Mr. Chairman. But just very briefly, New Jersey has approved 4,013 veterans for the program. There are 4,159 job slots. And yet we have only matched 288 individuals over the life of the program. We have 24,000 veterans that have been placed nationwide, and as I said, in New Jersey we only have 288.

Now, we are ninth in the Nation in my State in terms of the numbers of veterans. We have 400,000 eligible New Jersey veterans for this program, and though the amount of money which is authorized is something like $110 million expended in the program to this point, only $1.1 million has been used in the State. So there is something that is wrong, and I think it is deserving of some scrutiny to see if other States are having the same problem. I don't think they are. As I say, my understanding is we are pretty close to the bottom of the list. But I am sure other States are having a similar problem, and it can't be because there are no veterans out there. It is something else. I think this matching concept is one of the places where the system falls down.

Mr. DASCHLE. I assume you're going to continue the program.

Mr. FLORIO. We are. As a matter of fact, we are trying to extend it to other portions of the State. Senator Lautenberg has had a similar type of experience and we're going to try to do it perhaps even statewide.

Mr. DASCHLE. I certainly want to congratulate you. I think it's an excellent program and it just adds another dimension to this effort, and certainly a very successful one.

The ranking member, Bob McEwen from Ohio, has just joined us. Bob, do you have any thoughts or questions?

Mr. MCEWEN. Thank you, Mr. Chairman. I appreciate your acknowledging that I was in an adjacent room and appreciate the testimony of our colleague from New Jersey.

As a cosponsor of this legislation, I share the concerns expressed here thus far in this, the first meeting of this Subcommittee on Education, Training and Employment. I look forward to working together with you and would be delighted if this could be our first successful effort.

Thank you.

Mr. FLORIO. Thank you.

Mr. DASCHLE. We thank you and appreciate your coming.

I will yield at this time, before we bring our next witness to the table, to again acknowledge our ranking member, Bob McEwen.

Bob, as everyone knows, has been very active on this committee. He was the ranking member last year on another subcommittee, as I understand it. I am honored and delighted that he is the ranking member on this subcommittee and look forward to working with him on a number of issues as we pursue the business of this subcommittee.

So, Bob, please proceed in any way you see fit.

STATEMENT OF HON. BOB McEWEN

Mr. McEWEN. Thank you, Mr. Chairman. Your commitment to veterans is certainly exemplary for us all, and as I said, I look forward to working together with you and thank you for your kind comments.

Today we will receive testimony on two important veterans employment programs—the Veterans' Readjustment Appointments Program and the Emergency Veterans' Job Training Act created in 1983 by Public Law 98-77. The job training program has been the subject of oversight hearings held by this subcommittee here in Washington as well as in the field. However, the program has been much slower to start than we had hoped. While many of the initial problems have been cured, we are still faced with nearly 76,000 approved job slots that have not been matched with any of the 300,000 unemployed veterans who have been certified eligible for placement. Clearly, we had hoped for a much more impressive placement rate, and I hope to explore this issue with our Government witnesses.

While the general employment picture is improving across the Nation, with an ever-increasing number of Americans that are gainfully employed, younger Vietnam veterans continue to lag significantly behind their nonveteran peers in terms of employment. There is little doubt that we would like to do much more to assist these deserving veterans.

H.R. 1408 represents one approach. I look forward to receiving the evaluation of this proposal from our witnesses here this afternoon, and thank you for your kindness, Mr. Chairman.

Mr. DASCHLE. Thank you, Bob.

Our next witness will be Mr. Charles Dollarhide, the Director, Education Service of the Veterans' Administration. He will be accompanied by Miss June Schaeffer. If Mr. Dollarhide and Miss Schaeffer could come forward, we will take your testimony at this time.

Excuse me. We have two other witnesses as well. Mr. Dean Gallin, the Assistant General Counsel, and Joyce Felder, Director of the Office of Personnel and Recruitment.

Thank you all for coming this afternoon. We are pleased that you are here and invite you to proceed as you see fit.

STATEMENT OF CHARLES L. DOLLARHIDE, DIRECTOR, EDUCATION SERVICE, VETERANS' ADMINISTRATION; ACCOMPANIED BY JUNE SCHAEFFER, ASSISTANT DIRECTOR, POLICY AND PROGRAM ADMINISTRATION; DEAN E. GALLIN, DEPUTY ASSISTANT GENERAL COUNSEL; AND JOYCE FELDER, DIRECTOR OF THE OFFICE OF PERSONNEL AND RECRUITMENT

Mr. DOLLARHIDE. Thank you. I would like to say congratulations on rising to the chairmanship of this subcommittee, Mr. Chairman.

Mr. DASCHLE. Thank you, Mr. Dollarhide. I appreciate it.

Let me just say your entire statement will be included in the record. We are going to be proceeding under the 5-minute rule this afternoon, so however you want to proceed, that choice is yours.

Mr. DOLLARHIDE. OK. Thank you, sir.

Mr. Chairman and members of the subcommittee: We are pleased to be here to present the views of the Veterans' Administration on H.R. 1408, 99th Congress, which would amend certain provisions of the Emergency Veterans' Job Training Act of 1983 and expand authority to make veterans readjustment appointments in the civil service for Vietnam-era veterans and certain disabled veterans.

Section 2 of the bill would extend both the initial application and training commencement deadlines under the EVJTA by 10 months, until December 31, 1985, and July 1, 1986, respectively. It would also liberalize current eligibility criteria for veterans by reducing the requisite period of unemployment from 15 of the 20 weeks immediately preceding application to 5 of the 20 weeks immediately preceding application.

The EVJTA was enacted to deal with an unemployment problem among veterans which was much more critical than that which exists today. For example, in August 1983, the unemployment rate for Vietnam-era veterans in the 35 to 39 age category was 6.2 percent. By August 1984, that rate had dropped to 5.4 percent, and by December 1984, it had dropped to 4.3 percent, as compared to 4.5 percent for all males in the 35 to 39 age category. In terms of actual numbers, in August 1983, there were 181,000 unemployed Vietnam-era veterans in this age bracket, as compared to 142,000 in December 1984, a decrease of 39,000.

I am pleased to report to the subcommittee that as of March 11, 1985, some 25,898 veterans have been placed in jobs under the EVJTA. Over $100 million has been obligated under the program through that date. Employer applications received have jumped from 30,000 on September 10 of last year to over 45,000 as of March 4, 1985. We project approximately 5,000 to 6,000 more veterans will be placed in job training by the end of this fiscal year.

While noting the contribution made by the EVJTA, we would also point to the considerable improvement in the economy since August 1983. This improvement in economic conditions, coupled with the dramatic reduction in the unemployment rate for this particular group of veterans, indicates to us that the emergency situation which prompted enactment of the EVJTA no longer exists.

Additionally, Vietnam-era veterans, along with veterans of other war periods, receive job assistance from State and Federal programs, including $112 million proposed by the Department of

Labor for State employment assistance to be used in placing an estimated 500,000 veterans.

Therefore, we do not feel extension of the program's application and training commencement deadlines and liberalization of eligibility requirements is warranted. Accordingly, we oppose enactment of this proposal.

Section 3 of the bill would expand the number of veterans eligible for VRA appointments by first eliminating the current prohibition against granting appointments to non-disabled veterans under this authority if they have had over 14 years of education, and second, increasing the maximum grade level for appointments from the GS–9 to GS–11 level.

Mr. Chairman, inasmuch as this program is under the jurisdiction of the Office of Personnel Management, we defer to that office for their views on this proposal.

That concludes my testimony, Mr. Chairman. We would be happy to respond to any questions. And excuse my voice this morning.

[The prepared statement of Mr. Dollarhide appears on p. 5.]

Mr. DASCHLE. Thank you, Mr. Dollarhide, for your succinct comments.

Mr. McEwen.

Mr. MCEWEN. Thank you, Mr. Chairman.

Mr. Dollarhide, have there been any problems in implementing this program with the Labor Department?

Mr. DOLLARHIDE. No; we have had excellent cooperation with the Labor Department. Other than the usual startup problems with both agencies, I am not aware of any problems, no.

Mr. MCEWEN. So you know of no real startup problems at all with the program?

Mr. DOLLARHIDE. Well, the main problem with start up was not having the funding available to us until November 29, 1983. That hit right before the Christmas holiday and New Year's season, and compounded the startup procedures so that we really didn't get geared up on the good numbers until March and April 1984.

Mr. MCEWEN. What sort of publicity has this program been given?

Mr. DOLLARHIDE. It has been given a lot of publicity through various VA resources and through DOL. I would let them speak to what they have done in this area, if you don't mind.

We had all of the implementing guidelines ready in VA and distributed in the field before the enactment date of the law, for example. We encouraged all of our stations to utilize their local resources, outreach resources and broadcasting and TV spots.

Mr. MCEWEN. In relationship to other VA initiatives, would this relate as strong as anything you have ever done, half as strong, or just a standard policy change?

Mr. DOLLARHIDE. From my selfish point of view, Mr. McEwen, this is one of the better jobs we have done in VA in implementation, given the problems we had to contend with.

Mr. MCEWEN. Thank you, Mr. Chairman.

Mr. DASCHLE. Mr. Solomon.

Mr. SOLOMON. Mr. Dollarhide, according to your testimony, $100 million has been obligated under this program, and about 26,000

veterans have been placed in training programs, as I mentioned before. Is it safe to conclude, then, if we spent or obligated $100 million, and that we have placed 26,000 veterans in jobs, it would seem to me that the average cost per training program for each one of those would come to about $4,000 per veteran.

Mr. DOLLARHIDE. That's correct.

Mr. SOLOMON. Well, that's exceptionally good. When I look at some of these other programs in employment training, I think some of those costs run as high as $15,000 per unit. So we haven't had an overwhelming success, and that may or may not be caused by some of the things that Congressman Florio was talking about, perhaps some of the promotion was lacking. It has been lacking in my area in up-State New York around Albany, which is a capital of a major State. I have seen very little promotion of it. Consequently, I think that is one reason why the program has not been as successful as we could expect it to be.

Certainly in the Northeast it has not been as successful as it has in some of the smaller, less populated States, where I think it is easier for the word to get around sometimes, and perhaps you have better cooperation with some of the industries. But that is good to know for the record, that we have been able to place 26,000 veterans at a cost of $4,000 per man.

Let me ask you, if no additional funding is provided in fiscal year 1985, how long will it take the remaining money of the $150 million we appropriated in two phases—$75 million each under the existing program to be fully obligated and expended?

Mr. DOLLARHIDE. Mr. Solomon, the amount available——

Mr. SOLOMON. When are we going to run out of money, is what I'm saying.

Mr. DOLLARHIDE. I understand what you're saying. But the initial bill also had a set aside of $20 million for pursuit of associate degree programs, vocational in nature, which expired December 31, 1984. We expended $10 million of that and $10 million reverted to the emergency jobs bill to make a total available to that program of about $140 million.

I think it depends on whose crystal ball you want to use as to when the total money available will be expended, because we really don't know. You may be aware that the deadline for veterans to apply for a certificate of eligibility expired on February 28, and since March 1 we have only been able to recertify veterans who had previously applied and had their certificates either expire or their applications turned down. So that limits the pool immediately to initial applications.

We know, or suspect strongly, that most job placements of veterans occur when the certificate is fairly new, in 30, 60, or 90 days. I might add for the record that there will be a very comprehensive report and study done by our independent contractor, Centaur Associates, which is due to Congress on June 1. This will give you many more details and a finer assessment than we have been able to do ourselves. There will be much more available on this when that report comes to you on June 1.

Mr. SOLOMON. Just from your estimate, you said that you expected to place—and I didn't quite hear it all, 5,000 or 6,000 more veterans between now and the end of the year?

Mr. DOLLARHIDE. Yes, sir; my projection is 5,000 or 6,000, which at a cost of $4,000 does not totally expend the funds available. Other people have different ideas, but I projected into that the impact of the cutoff of initial applications.

Mr. SOLOMON. Let me ask you one final question.

You just said that the deadline for veterans to apply has already expired. What kind of instructions has the VA central office in Washington issued to your regional offices regarding veterans who come in to apply? What are these veterans being told by VA field representatives about this program?

Mr. DOLLARHIDE. They are told that since they failed to initially apply before March 1, we can't issue them a certificate of eligibility because the law restricts that. We have also told our field offices, in writing, that the pool of those who have initially applied before that date, whether they were favorably granted a certificate or denied for some reason, would be eligible to come back in and renew a certificate after March 1. So, basically, there is a pool of unemployed veterans out there in the neighborhood of 300,000.

Mr. SOLOMON. You're familiar with this legislation that we have before us here today which would extend the program?

Mr. DOLLARHIDE. Yes, sir.

Mr. SOLOMON. Well, let me just make an offhanded comment, Mr. Chairman, and then I'll be quiet.

Mr. Dollarhide, you had said the emergency situation no longer exists. As you probably know, I am one of President Reagan's strongest supporters in this Congress, and I think it is a miracle what he has done with economic recovery.

Mr. DOLLARHIDE. Yes, sir.

Mr. SOLOMON. But let me go over to the other side, too. There are pockets in this country and there are groups of people in which the economic recovery has not totally taken place. One of those groups are the Vietnam veterans. Certainly that is true in New York State, and I think Congressman Florio pointed it out in New Jersey, and I am sure it is so in many of the other States as well. I just want to tell you and put you on record that this committee is going to pass this legislation, and I think we will have the backing of the chairman and probably of every Member of this committee and subcommittee. We're going to extend it, and we're going to keep this program going because it's a good program and these veterans need help. So I would advise you to go out and spread the word with the field representatives that this program is go and it's not about to be defunded and put out of business.

Thank you very much.

Mr. DOLLARHIDE. I can assure you that if that does happen, Mr. Solomon, we will continue our intensive efforts on behalf of the program that we have demonstrated in the past.

Mr. SOLOMON. Good. Thank you.

Mr. DASCHLE. There's nothing equivocal about Mr. Solomon and I support him 100 percent. I think he's right.

I think the point he made about outreach needs to be said over and over. According to conversations I've had with my own veterans and veterans organizations, the program is virtually nonexistent out there in terms of information. Many of them come to me and say "If we only knew. But now the deadline is passed and we

didn't know, so now what do we do? You tell us." So we are hard pressed to give them a good answer because there isn't anything under current law that they can do.

I have been given the number, 416,000 Vietnam-era veterans still unemployed. I would be interested in knowing, when you give us the figures about unemployment with regard to Vietnam veterans, if you can break that down at all. For example, I would be interested in knowing what your figures are for those between the ages of 30 and 34.

Mr. DOLLARHIDE. Mr. Chairman, I have later data than what appeared in my statement, although I will point out that what was in my statement was a bracket for ages 35 to 39, which we considered would encompass the average age of the Vietnam veteran. And those were end-of-December figures. I now have updated figures through the end of February.

For unemployed Vietnam-era veterans, as of the end of February, I have 123,000. That is ages 30 to 34.

Mr. DASCHLE. Do you have a percentage there?

Mr. DOLLARHIDE. Yes. That would be 5.2.

Mr. DASCHLE. That is in contrast to the figures that we have been given by the Bureau of Labor Statistics, which indicates the figure is actually 8.6, according to BLS, between 30 and 34. I only cite that because the contrast between veterans aged 30 to 34 is 8.6——

Mr. DOLLARHIDE. Let me correct the record. I was looking at 35 to 39. I have 8.6 for age 30 to 34, yes, sir. Your figures are correct.

Mr. DASCHLE. So that is a substantial number.

What about minorities? Do you have any minority statistics?

Mr. DOLLARHIDE. I have nothing on that, sir.

Mr. DASCHLE. Well, I'm only guessing, but I would guess that minorities are even higher. I think we have a problem that hasn't been addressed adequately. We can talk about statistics, and I think we're finding our statistics are even in agreement, that for certain groups of Vietnam veterans the numbers are much higher than the national average, whether they are age group 30 to 35 or whether they're minorities.

My own State of South Dakota is a grave disappointment to me. The number of placements in the entire State through this program has only been 37. I think that when you consider that isn't even 50 percent of the goal, at a time when we have already passed the signup deadline, it seems to me that our work is still ahead of us and that we have a lot of work to do yet. Clearly, if we're not even reaching 50 percent, there is something wrong.

I want to go back to a concern that I expressed in my opening remarks because I need you to enlighten me as to why this can be. If we have 300,000 veterans who have been certified and then recertified, if we have 43,000 employers who have been approved, and if those approved employers have provided over 100,000 job slots, then why is it that only one-fourth of those job slots by the approved employers have been filled?

Mr. DOLLARHIDE. Well, I think some caution should be used—and those are statistics we furnished, the number of job slots. They are cumulative since the inception of the program. I think it will be shown by the report that you will get from our independent con-

tractor in June that—because of some things that we already know—that that may be somewhat overstated. Some of the——

Mr. DASCHLE. Excuse me for interrupting, but what would be overstated?

Mr. DOLLARHIDE. The numbers would be overstated.

Mr. DASCHLE. You mean the number of job slots is overstated?

Mr. DOLLARHIDE. Because when the employers were called on—for example, in the data we collect, they may have projected some future needs rather than their current needs. The other is that job slots don't permanently stay open. In other words, some of them could have been filled by other means than by hiring a veteran.

Mr. DASCHLE. What good is the figure then if it's so fluid? What are you telling us? What kind of job slots were made available? Can you give us a little more definitive answer? That would be helpful.

Mr. DOLLARHIDE. The types of jobs?

Mr. DASCHLE. No. I'm just trying to get an analysis from you as to how successful this program has been. I am impressed with the fact that we have certified 300,000 veterans. That, to me, is a good figure.

Is that fluid or is that pretty constant? That's constant?

Mr. DOLLARHIDE. Yes.

Mr. DASCHLE. Ok. Is the 43,000 constant, or is that fluid?

Mr. DOLLARHIDE. Those are numbers of employers who have programs we have actually approved, and which are still approved.

Mr. DASCHLE. So those are in place; they are locked in. So the one that is fluid right now is the 100,000 jobs?

Mr. DOLLARHIDE. Well, I would urge caution in using that, and I think in the reports we will furnish we will put that into proper perspective—it's not a disclaimer, but a caution, a note that some of these numbers may have been developed by employers stating future needs for job slots instead of current. Also, in the interim, since the inception of the program that has been going for 18 months now, a lot of those have been filled by means other than by the jobs bill.

Mr. DASCHLE. I don't know what you're telling me.

Mr. DOLLARHIDE. So there is a substantial number——

Mr. DASCHLE. Let me cut it in half. Let me just say we have overstated this by 100 percent, so we are down now to 50,000 job slots. If it is overinflated by 100 percent and we're down now to 50,000, and you're saying we have placed 26,000, I am still wondering what happened to the other 24,000 slots. Why aren't they filled?

Mr. DOLLARHIDE. Well, they could very well still be out there.

Mr. DASCHLE. That's what I'm asking. Why are they out there? If we have 300,000 veterans who have been certified, and we have already closed the gap—I mean, this isn't a question any more of recertification—why are there so many job slots for so few veterans placed?

You know, I'm not trying to give you a hard time. I am just trying to figure out why that's the case.

Mr. DOLLARHIDE. Well, I don't know. In order to give you a solid answer, I would like to have more time to think about it and furnish an answer for the record. I don't think I can clarify it for you right now today, Mr. Daschle.

Mr. DASCHLE. It just seems to me that if you were going to come before Congress to talk about a program that you're saying does not need to be extended, but you don't even know why there are 100,000 job slots and only 26,000 jobs placed, that seems like a basic question. But I would like you to respond for the record, if you could, Mr. Dollarhide. That would be very helpful.

Mr. DOLLARHIDE. I will be happy to do that.

[Subsequently the Veterans Administration provided the following information:]

It may be heldful to clarify that the 100,000 figure for approved job slots as of March 11, 1985, is a cumulative statistic from program inception. Based on out most recent review, we estimate that approximately 40–50 percent of these slots represent currently available job openings. Many factors, no doubt, are implicated in the actual placement rate for the program to date. I would expect that this area will be addressed in greater detail by the Centaur Report due in Congress by June 1, 1985.

Mr. DASCHLE. Very good.

I have some other questions, but my time has expired. I apologize for not keeping within the 5 minutes. If you will respond to those questions in writing, I would be very grateful to you.

We have another member of the subcommittee with us, Marcy Kaptur. If you have any questions, Marcy, this would be a good time to ask them.

Ms. KAPTUR. Thank you, Mr. Chairman.

Mr. Dollarhide, I have read your testimony here. I am sorry I wasn't present when you delivered it.

I wanted to just give you an example of what I think the chairman was talking about, as to why there are slots out there that aren't filled. This is from my own community.

I happened to be spending some time with my Vietnam Veterans of America chapter, and our local president happened to get a position about 8 months ago through this program. It was very interesting and I just wanted to relate this personal situation to you because I'm sure it is the same all around the country.

We have two offices in Toledo, OH that deal with unemployment through our Ohio Bureau of Employment Services. One administers this program, and the person administering it is not a veteran. The other office has about three people who administer the program and they have veterans on staff there. Kind of through the grapevine, our veterans have begun migrating to the second office because they feel that they get better service and more understanding there.

But one of the things that he told me was that when he was certified for the program—he registered and so forth, filled out all the papers—he said, "Marcy, after that point I did all the work." I said, "Well, what do you mean by that?" He said, "Well, I looked in this big catalog and I determined what the growth industries were in the area." He happens to be a journeyman electrician by training himself, and he identified that in this catalog it showed that a particular type of electrical circuitry work was a growth field. So he went through the telephone book himself and found 14 companies in our area that might hire someone with those skills.

He personally wrote them a letter himself and, because he was the chapter president, he was smart enough to understand the law and what the credits were that would be available to a private

company. He knows how to type so he typed the letter for himself. He had to type 14 letters. He got a bite. I mean, somebody actually said, "Hey, maybe we can hire this guy." Basically, the first paragraph of his letter said, "This is how much you get from the Government in dollars if you hire me."

But he is such an exception. He is so aggressive and managed to get himself elected president of the VVA back home. He went about and did this. But not every veteran can do that. I guess the only story I want to relate to you—and I don't think my community is unlike others—and that is that there is a tremendous burden put on the veteran to contact the businesses that are growth industries. I would have thought that that would have been provided through the VA, somehow through the personnel that are operating there.

I know why there aren't more people being placed in those jobs, and it is because not every veteran can do what this particular gentleman did. So I just tell you that because I'm sure that some of your administrators on the line out in the country could be much more helpful to the veterans in helping them compose these letters and actually writing.

We were involved with the VA back last year in letting businesses in the greater Toledo area know of the availability of this program. But there is nothing like getting a personal letter from someone who is really applying for a potential job in that company. But I can't tell you—It's like applying for a scholarship to college or something. Only a certain percentage of the population really does that. This guy happened to be aggressive enough and intelligent enough and skilled enough to submit these kinds of papers to employers.

But I don't think that's the way the program should operate. I think there should be more help that comes from the personnel of these employment services and those who are really administering the program. I just tell you that because I know it from my own community.

So, I don't really have any questions. If you want to comment, you're welcome to. My goodness, why do we have to make it that hard?

Mr. DOLLARHIDE. I don't really think we do, Miss Kaptur. I'm not inviting an argument with you. But we do have provisions allowing us to counsel veterans who request it. Of those who apply, 32 percent request counseling, and then an appointment is made for them to come in. They are given the letters and so forth and whatever assistance our professional counselors in the VA can give them is available to them.

Unfortunately, of that number who do request it, only about 22 percent actually appear for the counseling session. But for those who did, we worked with and tried to help and counselled them in job-seeking endeavors.

The other thing is that this is geared for help, as you indicated, through each State employment service office. Of course, Mr. Shasteen who follows me can speak more directly to that. But I think they do a pretty good job of trying personal contact.

I think it's a question of whether both agencies, have all the available resources we want or would like to have for this sort of

effort. I guess what I'm saying, in my opinion, is that considering what we have had to work with, we have done a pretty good job.

Ms. KAPTUR. Thank you, Mr. Chairman.

Mr. DASCHLE. When you say with what you have to work with, are you implying that there is something you didn't have to work with that would have allowed you to do a better job?

Mr. DOLLARHIDE. The additional resources we asked for when this was enacted we did not get, Mr. Chairman. That's what I had reference to.

Mr. DASCHLE. Additional resources, like what?

Mr. DOLLARHIDE. People.

Mr. DASCHLE. People?

Mr. DOLLARHIDE. Yes, sir.

Mr. DASCHLE. So with the limited number of people, that might have addressed, in part, the question I asked, about if you have all these veterans and all these employers who don't know that each other exist, in part, if you had more people, you could help interface the veterans with the employers better; is that what you're saying?

Mr. DOLLARHIDE. Oh, I think that's true of any program, yes.

Mr. DASCHLE. Percentage-wise, is there any way of telling us how many people you were short? Could you have done more with 10 percent more people or what?

Mr. DOLLARHIDE. I don't recall right now. There was an exact number. We had it and presented it, and it survived the budget process. I could furnish the exact numbers for the record if that's what you would like to see.

[Subsequently the Veterans' Administration submitted the following information:]

The Department asked for 74 people. Sixty-nine were for regional office use and 5 were for the Houston Payment Processing Center.

Mr. DASCHLE. Well, you know, there has got to be a reason why we haven't been more successful, given the tremendous interest there is, given the problem that I think we have obviously documented.

Before you arrived, Marcy, Jim Florio from New Jersey talked about a program started in New Jersey called Operation Match, which really is an excellent supplement to what they're doing here. It is matching the employers and veterans, both of whom want to participate. So that might be part of our answer, augmenting what they are doing by a matching arrangement in the States or perhaps within the DOL.

Ms. KAPTUR. Mr. Chairman, if I might interject here, our local VVA chapter is going to be holding a jobs fair in the northwestern corner of Ohio, but the problem there is they sort of do it on their own. OBES, our Bureau of Employment Services, doesn't really participate to any great extent, so it is "hit and miss".

As I was sitting here listening to Mr. Dollarhide, one of the things that I thought might be good is if the VA could be more active in identifying those employment offices that have really done a good match job, where veterans are on staff and are reaching out, where they have worked to sponsor those kinds of things and there's a good, cooperative effort to encourage that down

through the system. But it seems to me that we leave too much to chance in this program and that is why over half those slots aren't filled.

Mr. DASCHLE. Let me ask you one final question, Mr. Dollarhide.

If you had the resources, would you think there is still a lot of work you could do under this program?

Mr. DOLLARHIDE. I think if the resources were available for use in intensive outreach and motivation efforts, I think certainly. But it would be very costly in dollars.

Mr. DASCHLE. Well, that helps, because your testimony seemed to imply that we didn't need the program any more. But what you're saying is we certainly can use the program if we had the resources. So I want to thank you very much for your testimony and for helping us this afternoon to better understand——

Mr. MCEWEN. Could I ask an additional question, Mr. Chairman?

Mr. DASCHLE. Sure. Mr. McEwen.

Mr. MCEWEN. Mr. Dollarhide, I appreciate your analysis that you feel this program has been implemented as well as any program that has been implemented with the VA. But I really think, as the chairman has stated, perhaps a little more effort on our part would be appropriate. I would just leave that with you.

I would ask, Mr. Chairman, that additional questions be submitted for the record.

Mr. DASCHLE. Without objection.

Mr. MCEWEN. One final question. I would like to know if you have this information. What is the percentage of the veterans entering the program and then leaving the program prior to being gainfully employed?

Mr. DOLLARHIDE. Here again, I can give you a ballpark figure—and you will have much more on this in the June 1 report that is coming to you.

We do know that there is a 20-percent attrition rate which is comprised of three things: Those who finish up, those who quit, and those who are fired and for other reasons.

Mr. MCEWEN. About 1 in 5?

Mr. DOLLARHIDE. Yes.

Mr. MCEWEN. One additional question. How does that compare with other job training programs?

Mr. DOLLARHIDE. Well, here again, I think——

Mr. MCEWEN. We will wait for the report, I know.

Mr. DOLLARHIDE. This is one area that concerned me when I first saw it, Mr. McEwen, but it compares favorably. You will have much more on that, I think, in the report to Congress.

Mr. MCEWEN. Thank you very much, Mr. Chairman.

Mr. DASCHLE. Thank you again, Mr. Dollarhide.

Mr. DOLLARHIDE. Thank you, Mr. Chairman.

Mr. DASCHLE. Our next witness will be Mr. Donald Shasteen, the Deputy Assistant Secretary of Labor for Veterans Employment and Training, and he will be accompanied by Mr. Joseph Juarez, the Director of Veterans Employment and Training Services.

Mr. Shasteen, we are delighted you are here. We understand that this may be one of your last appearances in your current position, given the fact that you have been nominated to be an Assist-

ant Secretary of Labor. We are delighted that you are here and that you can share your thoughts with us.

As you know, we are operating under the 5-minute rule, so if you wish to proceed by inserting your entire statement in the record and summarize, we would be very happy to take it that way. But proceed as you see fit.

STATEMENT OF DONALD E. SHASTEEN, DEPUTY ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR; ACCOMPANIED BY JOSEPH JUAREZ, DIRECTOR, OFFICE OF VETERANS' EMPLOYMENT AND TRAINING PROGRAMS

Mr. SHASTEEN. Thank you. I appreciate your comments very much, Mr. Chairman. First of all, I want to congratulate you and say that we look forward in the Department of Labor to working with you on this program and others in the coming months.

We also are pleased to appear again before Mr. McEwen, our friend, and Mr. Solomon, our friend, and Miss Kaptur, our friend, before whom we have appeared previously.

I would like to summarize in just a few words the statement and then submit it for the record.

As you know, when this program began, the rate of unemployment among Vietnam veterans had been a major problem, significantly higher than for their nonveteran peers.

We in the Department of Labor, in the Veterans' Employment and Training Service, have been given the responsibility for developing the jobs and for making the placements through the job service system that we manage, the Disabled Veterans' Outreach Program specialists and the local veterans' employment representatives, the nationwide network that functions under our general management in the job service offices throughout the United States.

We in the Office of the Assistant Secretary for Veterans' Employment and Training made this program not just a high priority but our top priority. We have implemented a number of promotional campaigns. I think we have close by here a box with a file of press clippings and press releases that our own Department of Labor issued, and press clippings from newspapers throughout the Nation. We have them organized by States and we welcome you to take a look at the folder for your State if you're interested in seeing what we have on file. We still have material coming in from the field. We asked our people to send us everything that appears in print so that we would have a record of what they have accomplished State by State.

We have communicated regularly with the Governors and with others to urge continuing support for the program at the State level. We established a national goal to place 30,000 eligible veterans in jobs by March 1, 1985, with an individual goal set for each State. I am pleased to say that during the week of March, according to our Veterans' Employment and Training Service reporting system, which runs a bit ahead of the formal official system that the VA operates, showed that during the first week of March of

this year we did, indeed, reach the 30,000 goal in placements or matches, as they are called.

We recognize that for the end of February more than 303,000 veterans had been certified as eligible for the program, including almost 72,000 veterans who were recertified as eligible. So in terms of individual veterans, it would be somewhere in the neighborhood of 230,000 individuals. More than 43,000 employers have had training programs certified, representing about 102,000 jobs. We have been successful, according to the VA figures, in putting about 26,000 veterans into jobs under the program.

I would stress that in the average week, 4,100 veteran applications and 670 employer applications, representing 1,560 jobs, have been approved. Our responsibility was to develop those jobs. During the same average week, more than 460 eligible veterans have been put into jobs under the program. Twenty-one States, according to the VA figure—and 26 States according to our latest report from our State Directors—have met or exceeded their goals for placing veterans in jobs under the program.

Mr. Chairman, the unemployment problem among veterans was much more severe when the emergency program was enacted than it is today. The unemployment rate for all Vietnam veterans was 9.1 percent, while for nonveterans it was 8.4 percent. Today, according to our most recent data, the unemployment rate for Vietnam veterans at 6 percent is actually below the 6.2-percent rate for nonveterans. The economy has been the basic source of improvement. This program has had some impact on the problem. In fact, we feel it has been an effective tool, one of the weapons in our arsenal, so to speak, to reach these veterans who need help.

With that, I would be pleased to try to answer any questions that you might have.

[The statement of Mr. Shasteen appears at p. 52.]

Mr. DASCHLE. Mr. McEwen.

Mr. MCEWEN. Thank you, Mr. Chairman. Mr. Shasteen, I join in congratulating you on your recent appointment by the President and say that I have appreciated the interest you have shown toward veterans during your tenure at the Department of Labor.

What percentage of the veterans that have been served have been disabled veterans? Do you have any information on that?

Mr. SHASTEEN. We don't have that figure, Mr. McEwen.

Mr. MCEWEN. You don't keep those records, or you just don't have it at this time?

Mr. SHASTEEN. We don't have it at this time. We do—and correct me if I'm wrong, Joe—we do have the figures coming on a regular basis on the number of disabled veterans nationwide in all programs that are administered through the Job Service, all efforts made by the job service.

Mr. MCEWEN. The situation described by our colleague from Toledo brought something to mind. It is my understanding you have placed in your job requirements that those working in job placement emphasize this program, and if they do, they are given special credit or something. Could you describe that?

Mr. SHASTEEN. Yes, sir. We have given top priority in our organization to this program. We have asked all of the States to do the same. We have had recognition events at which we have presented

certificates to those States that have done an outstanding job. We have sponsored competition among the States in order to encourage them to give top priority to this program.

Naturally, we can't force the States to single this out, as opposed to other efforts they are making to place veterans, but we have certainly encouraged them. Some States have done, we recognize, far better than others, for a variety of reasons.

Mr. MCEWEN. Is that an administrative decision that you made?

Mr. SHASTEEN. Yes, sir, it is. It was a decision that I made with the concurrence of the Secretary of Labor.

Mr. MCEWEN. I commend you for that.

What other veterans' programs is the Department involved in?

Mr. SHASTEEN. We are involved in the Targeted Jobs Tax Credit Program, which is administered through the 2,500 local job service offices throughout the country. That is for economically disadvantaged Vietnam-era veterans. We also have title IV-C of the Job Training Partnership Act. We were mandated by the emergency act to use a portion of those funds to promote this program. We likewise were not given additional resources, but we were instructed, through the emergency act itself, to use a portion of our Job Training Partnership Act funds to promote this program.

In the first year of the program we did use $370,000 in Job Training Partnership Act funds to do that, and this year we have allocated to our regions and our States $270,000 for them to use on a State-by-State basis, because we learned the first time around that to direct a promotional program from Washington that will fit every State is not the best way to reach the needs of every State. So we have now allocated funds to the regions and to the States to work through their State Employment Service and to develop their own outreach and promotional public information efforts.

Mr. MCEWEN. Have you contacted the advertising council or pursued public service announcements?

Mr. SHASTEEN. We have produced two waves of public service announcements ourselves, at very limited expense. We sent those to television and radio stations throughout the Nation. We asked them to give us free time, if you will, to present those television and radio PSAs.

As prior testimony here would indicate, oftentimes that free time comes at early morning hours. We have also had a few successes, where suddenly we were watching television and there was one of our promotional pieces appearing during prime time. So it has been a mixed bag. We have not paid for any advertising. We do not have authority to do that.

Mr. MCEWEN. Thank you, Mr. Chairman.

Mr. DASCHLE. Marcy Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman.

I am very interested in the outreach you have done, but I am also interested in the "inreach" within the Agency itself and these various State Bureau of Employment Services. You heard my previous example. It is good to get the veterans in there and the employers in there, but then what happens?

I would like to know how if you can rate the various agencies around the country and see if they are doing a lot of this paper-

work for the veteran, rather than all this paperwork being placed on the veteran's back.

Mr. SHASTEEN. Ms. Kaptur, it varies widely from one State to the next, and also from one locale to the next. The unemployment problem is much different in a metropolitan area than it is in a less populated rural area. If we know about a problem such as you described, if we can get the specifics on a local office that is not fulfilling the mandate of Federal law, to provide preferential services in counseling, testing, training and placement to veterans, that is mandated by Federal law, if you can cite to us an office that is not fulfilling that responsibility, we can correct the problem. We have that authority and we do it through the system that we have that reaches into every State. We have a State Director in every State and in the larger States such as yours we have an Assistant State Director for each 250,000 veterans.

Ms. KAPTUR. Can you help me provide an assessment of the type of service that is being given by my two offices?

Mr. SHASTEEN. Yes. Our people in Ohio do an evaluation of every large office at least once a year in your State. They do a follow up to the evaluation in which they——

Ms. KAPTUR. I don't want to bring the wrath of the Government down upon them, but I would sure love to know how you would rate what is being done in my metropolitan area with other areas in my State or the country.

Mr. SHASTEEN. We can do that. We would be glad to do that.

Ms. KAPTUR. Thank you very much.

Thank you, Mr. Chairman.

Mr. DASCHLE. Jerry Solomon.

Mr. SOLOMON. Thank you, Mr. Chairman. Let me also commend Mr. Shasteen on the great job he has done in the past and the great job he's going to do in the future.

Mr. SHASTEEN. Thank you very much, sir.

Mr. SOLOMON. Let me ask you a question—and a couple of them may be pointed. I asked the VA this question when they were here just a few minutes ago: If we have provided 26,000 new jobs for veterans, and if we had obligated $100 million so far in that program, did that not come out to a cost of about $4,000 a job? And if so, wasn't that a pretty good track record?

I'm going to ask you the same question, especially because you come from the Department of Labor, in the context of a comparison with other training programs that we have in effect or had in effect in the past.

Mr. SHASTEEN. I think that is a good track record, Mr. Solomon. It figures out, according to our calculations, using the VA's figures, to an average expenditure per slot of $3,928. A larger amount is committed, but those expenditures are running at about 80 percent of commitments per slot.

I think if you look at the placement rate under some of the other programs—for example, under the Job Training Partnership Act—the OJT portion of that act, the placement rate is running—Joe, correct me if I'm wrong—it's about 78 percent; is that correct?

Mr. JUAREZ. Exactly.

Mr. SHASTEEN. Seventy-eight percent. As nearly as we can calculate from the VA figures, the success rate—that is, the completions

in this program, plus those who are still engaged in the program, those who have not been terminated short of completing the program—it figures pretty close to 75 percent. So I would say we are right on target with our achievements so far in this program.

That does not mean that we can't do better. I can assure you that we're striving to do better. We have learned a lot from this program and we're still learning. I think we are trying to do better all the time with it.

We still have a large universe of veterans, as was pointed out earlier, who have been certified under this program, who have not been placed under this program. Some have been placed under other programs, but there is still a large universe out there of long-term, hard-core unemployed veterans. We intend to give an added push as long as this program is on the books. As we learn more, we are able to improve our productivity and our efficiency.

Mr. SOLOMON. You know, I think the key to what you just said was "as long as this program is on the books." As long as we've still got a problem, and there is a problem out there, then, as I mentioned before, we're going to keep this program on the books. I expect you and the administration to support it and not come here and tell me that you're opposed to the bill that we have before us. I know that's your job and you're doing your job, so I am not criticizing you personally. But I am going to criticize everybody personally if they don't get behind this bill eventually and we don't enact it into law.

We still have a problem. I am of Korean war vintage and when I came out of service there was no stigma. I mean, we didn't have a popular war, either. It was police action, as they so called it. Nevertheless, we didn't have the kind of problems that I think Vietnam veterans had when they came home. We had some, but they have had it much worse. Some of those problems still exist.

Now, I was a businessman before I came to the Congress, and I can tell you that many businessmen would look at a Vietnam veteran and say "There's a problem; why should I get involved in this problem?" Maybe there was a drug problem or whatever.

The veterans have tried to overcome that and so have business people. I think there has been progress, but it is still a problem that we are still trying to overcome. That is why we need this program.

Now, along that same line I would just ask you one final question and then ask unanimous consent to submit all these other questions, Mr. Chairman. Is there any way to determine how much revenue this program has brought into the Treasury? If we gainfully employed 26,000 people in the program, that had to bring revenue into the Government coffers. Have we taken the time to estimate that in any way yet?

Mr. SHASTEEN. We haven't yet, Mr. Solomon, but we would be glad to look into that. I visited briefly with Rufus Wilson a few minutes ago about that. We have not analyzed the success from that standpoint, but we would be glad to try to obtain those figures working both within the Department and within the administration.

Mr. SOLOMON. I would like to have those figures submitted to the committee, or some kind of fairly accurate estimate, because I think it is going to make a difference.

Finally, let me just say I have to ask the rhetorical question whether we can really expect your field officers to view this program as a high priority matter during the next few months, since you are considering it as a phase-down program. I hope that you go back and tell your peers that we are going to enact this legislation. I think it is safe to say that this committee is going to do it and that this program will be ongoing. We want it to be a high priority just like it has been, as you and the VA have both testified.

I, for one, appreciate your coming before us.

Mr. SHASTEEN. Thank you very much.

Mr. DASCHLE. We have some votes on but I am going to try to pursue my questions prior to the time I have to leave to vote.

I would like to acknowledge also that we would like that information that Mr. Solomon has requested, and we will make that a part of the official record. Without objection, his additional questions and your answers will be inserted in the record.[1]

Several questions come to mind. First, before I ask about outreach, I am not clear as to what your position is with regard to H.R. 1408. Do you support the passage of H.R. 1408?

Mr. SHASTEEN. No, sir, we are not prepared to say that. It is in my formal statement, Mr. Chairman, and the position of the administration is not to support H.R. 1408.

Mr. DASCHLE. The basis for that opposition is because unemployment figures among veterans are no greater than the unemployment figures nationwide?

Mr. SHASTEEN. That is part of it, plus the economic recovery that is taking place. The administration feels that, through that economic recovery, and through the other programs that are already on the books, that the problem of veteran unemployment can be dealt with on an equal basis with nonveteran unemployment.

This is with the exception that the administration very strongly supports those provisions in Federal law which give priority assistance and priority services to veterans through the job service. There are approximately 25,000 employees of the Employment Service throughout the United States. We fund, through the Veterans' Employment and Training Service, about 3,500 of those. But the Federal law mandates all 25,000 to provide preferential services through the Employment Service to veterans in counseling, testing, training and placement.

Mr. DASCHLE. You would acknowledge that this program has been of benefit to at least 26,000 veterans who could not obtain help through other forms of assistance; is that correct?

Mr. SHASTEEN. Yes, sir, and I would go beyond that and say that this program has been a very effective tool, a very effective weapon in our arsenal, if you will. We have other programs as well, but this has been a——

Mr. DASCHLE. Would you acknowledge that it would be equally as effective in the future?

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[1] See p. 107.

Mr. SHASTEEN. I would acknowledge that we are going to continue to push this program as long as it's on the books and as long as there are funds available to finance it.

Mr. DASCHLE. When you mention your outreach efforts, again it is in contrast with the reports that I get in South Dakota and elsewhere that there just doesn't seem to be any information out there, even among veterans' organizations.

Have you been able to provide the veterans' organizations with information specifically for their magazines, for example?

Mr. SHASTEEN. Yes, sir, we have. We have worked very closely with the veterans' organizations at the national level. We participate in all of their meetings, their recent midwinter conferences, their national conventions. Through them, we reach out to veterans' organizations in the States. We made appearances there.

Our people in each State have, by law, a responsibility to work with the veterans' organizations.

Mr. DASCHLE. Have you had ads in their magazines?

Mr. SHASTEEN. We have had articles in their magazines. There have been announcements of one kind or another in all of them.

Mr. DASCHLE. What about posters in the outreach centers; do you have any kind of public announcements, poster-like information, for the outreach centers?

Mr. SHASTEEN. I don't believe we have distributed posters from the national office, but we provide funding now to the States. Some of the States, if they see a need for posters as a means of reaching more veterans and more employers, they are using them. In Arizona they use billboards.

Mr. DASCHLE. I'm not as concerned about the posters themselves, but have you had a relationship with the outreach centers with regard to providing information directly to veterans through those centers?

Mr. SHASTEEN. Yes, sir, we have.

Mr. DASCHLE. We have just a couple of minutes left, but let me ask you the question that I asked Mr. Dollarhide. If we had 300,000 veterans certified, if we have 43,000 employers approved, and if there are approximately 100,000 job slots, why is it that only 1 in 10 veterans who have been certified have jobs due to this program and only perhaps 1 of 4 veterans have jobs for the job slots that may or may not be there?

Mr. SHASTEEN. First of all, Mr. Chairman, we are not dealing with easy-to-place people. They have been unemployed at least 15 out of the 20 weeks prior to their application for certification. In many instances they have been unemployed for longer periods of time. Some of them are not job-ready. They require counseling. They possibly require other services from the VA before they're ready to be referred to a job.

Our people, the people we fund, the disabled veteran outreach specialists, most of whom are disabled veterans themselves, are trained—we have been training until we're blue in the face. We have been training for the last 2 or 3 years to be sure that they can recognize a problem when they see it and can deal with it if a person is not job-ready. So we are working that problem very hard.

Once you do refer people to a job, the average is maybe three or four referrals before an employer actually makes a hire. In the

meantime, the veteran may have found a job someplace else or may have been placed under title III, the displaced workers title of the Job Training Partnership Act, or title II for the economically disadvantaged or the targeted jobs tax credit.

Sometimes a delay in the paperwork in this program will cause an employer to decide he wants to hire someone else, or even to hire a certified veteran not under this program but indirectly, or under another program. So there are a variety of reasons for it.

Mr. DASCHLE. Are you satisfied with the fact that only 1 in 10 have been placed?

Mr. SHASTEEN. No, I'm not. I am confident we can do better than that.

Mr. DASCHLE. What would be better, in your opinion—2 in 10, or 5 in 10, or 10 in 10?

Mr. SHASTEEN. Well, 10 in 10 would be the best. We would always try for that. We will not be satisfied as long as there is one veteran who is unemployed.

Mr. DASCHLE. Well, I like your attitude. We're out of time at this point. I want to speak, I am sure, for the entire committee in wishing you well in your confirmation hearings next week. We look forward to working with you in your new capacity.

The subcommittee will stand in recess until we return from the votes.

Mr. SHASTEEN. Thank you very much, Mr. Chairman.

[Whereupon, the subcommittee was in recess.]

Mr. DASCHLE. The committee will come to order.

I apologize for the delay. I was not able to come back as quickly as I had hoped.

Our next witness is Mr. Terry Culler, the Associate Director for Workforce Effectiveness and Development. He is accompanied by Bob Martinez, the Assistant Director for Affirmative Employment.

Mr. Culler, we are delighted you're here. We apologize for the delay in bringing you before the subcommittee. Please proceed in any way that you see fit. As you know, you are under the five-minute rule. Your complete text will be submitted for the record.

STATEMENT OF TERRY W. CULLER, ASSOCIATE DIRECTOR FOR WORKFORCE EFFECTIVENESS AND DEVELOPMENT GROUP, U.S. OFFICE OF PERSONNEL MANAGEMENT; ACCOMPANIED BY ROBERT L. MARTINEZ, ASSISTANT DIRECTOR FOR AFFIRMATIVE EMPLOYMENT PROGRAMS

Mr. CULLER. Thank you, Mr. Chairman.

Before I start I would like to, on behalf of Director Devine, congratulate you on assuming your post as chairman of the subcommittee.

Mr. DASCHLE. Thank you.

Mr. CULLER. I am pleased to be here today and have the opportunity of presenting the Office of Personnel Management's views on H.R. 1408, specifically that part of it which would modify the Veterans Readjustment Appointment Program, with respect to the maximum entry level grade and the educational limit for participation in the program.

The VRA Program has been a great success in providing employment for those Vietnam era veterans who need help. It allows agencies to hire these veterans without competition and subsequently to convert them to career or career-conditional appointments after 2 years of satisfactory employment and training.

Since the program was established, VRAs have provided employment opportunities for a quarter of a million Vietnam era veterans. Preliminary data for fiscal year 1984 showed 20,704 VRA appointments made. That is 5.2 percent of the total Federal accessions in that fiscal year. The 20,704 VRA accessions is the highest number since 1980.

The VRA program is a voluntary one. There are no added costs associated with the program, and no new positions are created.

OPM has worked diligently and taken significant actions over the last few years to encourage greater participation by Federal agencies in the VRA program.

The most effective action the Federal Government as an employer can take to assist Vietnam era veterans is to promote the successful Veterans Readjustment Appointment Program.

Before this committee's oversight hearing in September, 1983, Director Devine urged that several improvements be made to the program to make it more fair and more effective. He suggested that the maximum grade level for appointment should be raised from GS-7 to GS-9. Setting the level at GS-9 recognizes that some Vietnam era veterans have obtained the necessary experience and education to qualify for a higher grade than previously allowed under the program.

The Congress responded by raising the maximum entry level to GS-9 in Public Law 98-543, enacted in October of last year. OPM continues to believe that GS-9 is the appropriate maximum entrance grade for the VRA program. GS-9 is an advanced trainee grade level for many professional and administrative occupations in the Federal Government. GS-11, on the other hand, is a journeyman level in most instances and is inappropriate for use as an entry level grade in this program. OPM opposed the GS-11 entry level grade last year when it was considered by this committee.

Second, the Director urged that the 14-year education limit for nondisabled Vietnam era veterans be waived altogether. It is an artificial limit which discourages improving skills through education. Accordingly, OPM supports this portion of H.R. 1408, as it did last year.

In closing, let me say that the VRA is a cost-effective program. No additional employment costs are incurred to the Government in using it. It provides a quick and efficient way of employing deserving veterans.

Mr. Chairman, I will be pleased to answer any questions you might have.

[The statement of Mr. Culler appears at p. 56.]

Mr. DASCHLE. Thank you.

Mr. Solomon, do you have any questions?

Mr. SOLOMON. Mr. Chairman, let me yield to you. I missed most of the testimony and I'm just looking through some of it now.

Mr. DASCHLE. That's fine. We can come back to you.

I have just a couple of questions. Maybe you can elaborate on this a little bit more, Mr. Culler. With respect to your support for the elimination of the educational restriction, but your opposition to increasing the GS–9 to a GS–11, which really is being done at no cost to the Government, elaborate a little bit more on why that is a problem for you.

Mr. CULLER. The typical entry level positions for professional jobs in the Federal Government are at the GS–5 and GS–7 level. The GS–9 entry level position is a relatively rare position. Let me give you an example.

The Presidential Management Intern Program, which is a highly selective program with multiple layers of review and so forth, analogous in some ways to the White House Fellows Program, has an entry level grade at GS–9. These are all people who have graduate degrees. They must have graduate degrees to participate in that program.

It is our position that the GS–11 is not an entry level position. Indeed, for many occupations it is a journeyman level position. So, consequently, we believe that GS–9 is the appropriate level for an entry into the Federal Government as opposed to the GS–11.

As for removing the 14-year education restriction, our position is that, in essence, the 14-year restriction punishes people who have actually worked longer and spent more time in school and tried harder. So it is a punishment to initiative and we believe we should be encouraging veterans to go out and, under their own initiative, go to college and use their GI benefits. We continue to support the lifting of that restriction.

Mr. DASCHLE. But if you argue that increasing GS–7 to GS–9, as you did in your testimony last year, gives additional flexibility to Federal agencies, why wouldn't that same argument hold in raising the GS–9 to GS–11?

Mr. CULLER. Once again, Mr. Chairman, we are still dealing with entry level positions, and for people who are coming into this program, which is a particular type of program to bring people in who are not at full performance in their jobs, and to provide training for them, putting them in at a higher grade would move them beyond that trainee status. It would move them in many instances into journeyman status. This is inconsistent with the conception of the program as a training program.

Mr. DASCHLE. Are you arguing then that increasing GS–9's to GS–11's gives you no additional flexibility?

Mr. CULLER. No, sir, I would not argue that. I would say that a GS–11 position is not appropriate to this program, which is a program to provide training at entry levels for a specified group of individuals.

Mr. DASCHLE. I'm trying to get an understanding. It seems to me inconsistent to say "well, we like raising GS–7 to GS–9 because we have the additional flexibility. We get additional flexibility in raising GS–9 to GS–11, but the flexibility alone is not an adequate reason. Give me the reason why the flexibility argument there isn't enough.

Mr. CULLER. You are quite right, it gives us more flexibility if we can bring people in at GS–11. Following that logic, we could go to GS–12, GS–13, and so forth. Because this is an entry level program,

a program to bring people in under a specified authority to be trained at an entry level, it must be consistent with our entry level grades in the professional categories within the Federal Government. GS-9 is the highest of the entry level grades. GS-11 is really not an entry level grade. It is, as I said, a journeyman level grade in many professions.

Mr. DASCHLE. Thank you, Mr. Culler.

Jerry, if you have any questions, this might be a good time to ask them.

Mr. SOLOMON. I am going to pass, Mr. Chairman, and ask unanimous consent to submit some questions in writing.

Mr. DASCHLE. Without objection.

We want to thank you very much for coming this afternoon, and again our apologies for keeping you waiting.

Mr. CULLER. Thank you. That's quite all right.

Mr. DASCHLE. I think in the interest of time we are going to take all of our veterans' organizations in a panel: The American Legion, represented today by Paul Egan, deputy director, National Legislative Commission; the DAV, represented by Ron Drach; the VVA, represented by Dennis Rhoades; and the VFW represented by Jim Magill, the assistant director, National Legislative Service. Mr. Magill is accompanied by Robert Jones, special assistant for employment.

Gentlemen, we are pleased that you could join us this afternoon. I hope that this won't present any inconvenience to any of you, but we will proceed under the 5-minute rule under which each of you would have 5 minutes. I would start with Mr. Rhoades. Dennis.

STATEMENTS OF A PANEL CONSISTING OF DENNIS K. RHOADES, EXECUTIVE DIRECTOR, VIETNAM VETERANS OF AMERICA; RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS; JAMES G. BOURIE, DIRECTOR, NATIONAL ECONOMICS COMMISSION, THE AMERICAN LEGION, ACCOMPANIED BY PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION; AND JAMES N. MAGILL, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES, ACCOMPANIED BY ROBERT JONES, SPECIAL ASSISTANT FOR EMPLOYMENT

STATEMENT OF DENNIS K. RHOADES

Mr. RHOADES. Thank you.

First of all, VVA would like to congratulate you on assuming the chairmanship of this subcommittee. We have worked with you very closely in the past and we know what an advocate you have been for Vietnam veterans. We are very encouraged by having you as chairman of what we consider to be a very important subcommittee at this particular time.

Mr. DASCHLE. Thank you.

Mr. RHOADES. Mr. Chairman, I would like to summarize my statement, but basically touch on two major issues that have come up in the hearing today—operational issues and reauthorization issues. I would like to take the reauthorization issues first.

I think you have to judge what the agencies have said, in terms of their not supporting either an extension or reauthorization of

the Emergency Veterans' Job Training Act, in context. I see the dead hand of OMB operating in all of their statements. I would like to remind the subcommittee that it was in 1983, with 900,000 Vietnam vets unemployed, that OMB said, once again, this program wasn't needed. They said it again in February 1984, and they are saying it again in March 1985. So as far as I can see, I don't think OMB has a lot of credibility in not supporting the program because it is clearly not based on any rational basis that I can discern.

OMB's position is that there are now 416,000 unemployed Vietnam veterans and that is somehow perceived as good. But again, I think you have to look at the matter historically. There have been anywhere from 400,000 to 600,000 unemployed Vietnam veterans for 15 years. That is a long, long time. This historical high in unemployment among Vietnam veterans was 900,000, and that was reached in 1983. That was just 2 years ago. Compare this to the experience of the World War II veterans who in late 1948 experienced a 2-percent unemployment rate, compared to a 4-percent unemployment rate for their nonveteran peers, and I think you will have a better perspective on what's going on.

We have said repeatedly at these hearings that the problem that this bill should address, and I think is beginning to address very effectively, is not one of cyclical rises in unemployment; rather, it is a deeper problem among Vietnam veterans and their employment history. That problem is primarily structural, and includes lack of training and failure to get into a career track. That is why, Mr. Chairman, we have continued to support this program, because we think it gets to the root of the structural unemployment problem.

You know, CBO did a study not too long ago that concluded that for every unemployed individual it costs the economy $24,000. With approximately 416,000 unemployed Vietnam veterans, this cost to the economy each year is a staggering $10 billion.

In terms of the reauthorization I might also say, Mr. Chairman, that we do not view the proposal to do away with money for this program entirely as a freeze. Nothing is being frozen here. You have got a program being cut entirely. We think a freeze would constitute funding this program at the operating levels for fiscal years 1984 and 1985, which would be approximately $75 million.

On the operational issues, the key to this program, as we see it, is outreach to the employer community. You can say what you want to about the job the agencies have done, but the fact is that it is a very time-consuming process. It takes some time for employers to get to know what this program is, and how simple the paperwork is. Their experience in the past with veterans' employment programs, unfortunately, has not been good, because as you know, for the past decade-and-a-half we have had programs which have started, run a year, stopped, and restarted, run another year, and stopped. So the employer community doesn't know what's going on in this latest effort of the Federal Government to get Vietnam veterans employed and trained.

I would also say that the transitory nature of past programs has affected the agencies that have to administer EVJTA. It is very hard to get a civil servant to take a program seriously that he believes is going to wind down in 3 or 6 months. Of course, that gets

to the problem of followup. One of the reasons that we think a lot of the slots are not being filled is lack of aggressive followup, specifically on the part of the State Employment Services. We urge the Department of Labor to take a hard look at how aggressively those offices are following up on job slots that are developed. It is not enough to set a program up once. You have got to go back to the employer.

Mr. Chairman, that summarizes my statement. Thank you.

[The statement of Mr. Rhoades appears at p. 61.]

Mr. DASCHLE. Thank you, Dennis.

Our next witness is Mr. Ronald Drach from the DAV. Ronald, we're glad you're here. Please proceed.

STATEMENT OF RONALD W. DRACH

Mr. DRACH. Thank you, Mr. Chairman. I, too, on behalf of the DAV, would like to welcome you back to the subcommittee, especially as its chairman. We look forward to working with you. We very much appreciate your interest and your introduction of H.R. 1408.

I would also like to thank Mr. Solomon for his earlier efforts on H.R. 1122, and we certainly appreciate his and Mr. Leath's efforts to try to extend this program and to make it a little bit better.

I, too, will summarize my statement. I would just like to make a few comments, and I may not be in total sequence with my statement. But I want to make some comments based on what I have heard here today.

You know, perhaps Mr. Florio summed it all up in his statement to you, that the big problem is matching. I think it has been stated over and over again that that seems to be the big problem. When you have that much of a ratio, something is wrong. I think if there is one single thing we could say, it is the matching problems.

I would like to quote just for a moment, if I may, from the VA's fiscal year 1986 budget: "No further appropriations will be requested since the economic conditions which the Emergency Veterans' Job Training Act of 1983 proposed to relieve will have been alleviated." At the risk of overkill, I wonder also whose definition is being used as to "alleviate." Tell that to the 416,000 officially unemployed veterans in the BLS statistics. Tell it to the 270,000 who have been certified through EVJTA but who have not been placed.

I would like to throw some other statistics out that haven't been used yet. We were somewhat restricted to use the data that is developed by the Bureau of Labor Statistics under the Department of Labor. From the period of February 1984 to February 1985, 2,797,000 new jobs were assimilated into our economy, almost 3 million new jobs. They also report there are 126,000 less veterans unemployed in February 1985, than there were in February of 1984. They didn't say there were 126,000 more veterans employed; it is 126,000 less unemployed. What you have to do is look at their definition of employment or unemployment. Of those 126,000, many of them may have dropped out of the labor market and are no longer counted as being unemployed. But the statistics reveal there is no longer that many unemployed.

Percentagewise, at best, if those 126,000 got jobs out of those 3 million, it represents 4.5 percent of all those new jobs, at best, went to veterans. It's inexcusable. I just don't understand it.

Something was mentioned earlier today about the obligation of the rest of the money. I heard last Friday from a VA source that they are obligating $4 million a week right now. The program is apparently working pretty good. If they got it up to speed where $4 million is being obligated a week, that gives us roughly 10 weeks left before we run out of money. Apparently what we're going to have to do beyond that is again, getting back to the matches, that we have to match them.

I have a couple of rhetorical questions and perhaps the Department of Labor or the VA can answer them. How many employers eventually drop out of the program because of the lack of matching, because they are not getting quality referrals to these job openings, where after a while they just say "the heck with it; I'm not getting any referrals, or I'm getting poor referrals." Again, it comes back to the quality of the matching.

Publicity problems. The first go-around of PSAs that the Department of Labor put together had to be put on the shelf. They were pretty bad. They came up with some better PSA's, but we can't control PSA's. We can't control when they're put on. I think something more effective would be along the lines of direct communication to organizations like the chamber of commerce, the National Alliance of Business, the small independent business corporations, people like that who may be the growth industries, target directly to them and publicize the program to them.

In conclusion, I just want to mention that we do support the extension and we hope that the subcommittee will act rapidly on it. We hope the full committee will continue its support of these programs and pass it, and hopefully the whole House will act on it, and hopefully the Senate will take similar actions in the very near future. But I would also like to go on record stating that we do have to oppose the provisions on the VRA liberalizations, and the reasons for that are stated in my statement.

Thank you very much.

[The statement of Mr. Drach appears at p. 67.]

Mr. DASCHLE. Thank you, Mr. Drach.

Paul Egan, deputy director, national legislative commission of the American Legion.

STATEMENT OF PAUL S. EGAN, ACCOMPANIED BY JIM BOURIE, DIRECTOR, NATIONAL ECONOMICS COMMISSION

Mr. EGAN. Thank you, Mr. Chairman. Jim Bourie will summarize our statement, but we, too, would like to take this opportunity to congratulate you on your assent to this committee's chairmanship.

Having said that, we have to regard with considerable foreboding the simultaneous prospective loss of both this program as well as another program, the Targeted Jobs Tax Credit Program. The introduction of your legislation, as well as that introduced by Mr. Solomon and Mr. Leath, constitutes a vivid example of the leader-

ship in the veterans' community has come to count on from this committee and we appreciate it.

Mr. DASCHLE. Thank you for your kind words.

Mr. Bourie.

Mr. BOURIE. Mr. Chairman, I don't disagree with my colleagues at the table. We are involved with this right from the "get go" with the Department of Labor and the VA, and it has never been a problem with veterans. We can always have an overabundance of veterans. So I don't think by saying "let's get 300,000 more veterans on to the program" is going to help it. If we're only placing 1 out of 10, what the hell do we do with the other 9? They have got to go someplace and something has to be done for them.

We want a quality program, one that is responsive to the needs of veterans. We look at it as a structural problem, also. I think the key, in my experience in talking to our field people through the country, again it rests with the Job Service. Those DVOP's and LVER's have got to get up and get out of the local office. I can hear the local office manager screaming now, but nonetheless, they have got to get out in the field and get talking to the employer community. That's the only place these jobs are going to come from. They're not going to come from the Department of Labor, the VA, from Congress, or the veterans' organizations. It has got to come from the employer community, to convince them that this is a good program, a solid program, a sound program, and it's a program that will continue in time. That is the only way it is going to be successful.

This is really the last shot. If we don't make good with this program, that's it. The war has been over for over 10 years. We are getting down to that core group of veterans, that 200,000, 300,000, or 400,000 that is going to be difficult to place. We need to address their needs.

As far as a lowering of the length of unemployment, we think that's a good idea. I don't think there is a tremendous, pent-up demand where you're going to see a flood of veterans suddenly rushing to the Job Service or the VA to get involved in this program. I think you're going to get a better quality veteran, one that is job ready, one that is able to move right into the slots. I think it is a good idea, and certainly the input that my office has been getting around the country, it is going to be a good idea to lower that from 15 to 5 weeks.

I do think that the promotional aspect of it, more thought has to be given by the Department of Labor and the VA. This is just like a national merchandising campaign. We have a product and the product is the program, so how do we merchandise it nationally. It has fits and starts, but I don't think it's insurmountable. We have to put our heads together. It has some trouble getting started, I think, because of the lack of administrative funds, the staff. I think that has been a problem from the beginning. Perhaps we can all work that out.

There are other inherent problems—the veterans are not qualified, the employers are reluctant to get involved in the program, there are so many competing Federal rules and regulations and programs that the employers' heads are spinning on these things. Perhaps two or three applicants per job are being referred to this

thing. Employers want to fill that vacancy now. They don't want to wait until tomorrow; they don't want to wait until next week. That's a problem perhaps with the paperwork, getting that veteran right there. I have a vacancy. I talk to the LVER or DVOP and, bingo, I've got your man. Boom, he goes right over there. That I think is a problem. Then again, I don't want to harp on the Job Service, but I think they do, indeed, hold the key to it.

Going on to your VRA, the American Legion is in full support of the extension. We think the VRA is a good program and it doesn't cost the Government any money. We like it, we have always liked it, and we want to see it raised to GS–11. We want to see that 14-year educational impedement eliminated. We think that is a real stumbling block. Once that is eliminated, you're going to get a good quality candidate in that VRA Program.

Thank you very much.

[The statement of Mr. Bourie appears at p. 75.]

Mr. DASCHLE. Thank you, Mr. Bourie.

I believe Jim Magill is going to be providing testimony for the VFW, but I know that Robert Jones is accompanying him. So, gentlemen, welcome. Please proceed.

STATEMENT OF JAMES N. MAGILL, ACCOMPANIED BY ROBERT JONES

Mr. MAGILL. Thank you, Mr. Chairman. We also would like to congratulate you on being elected to this important committee.

Mr. DASCHLE. Thank you.

Mr. MAGILL. We have long supported the Emergency Veterans' Job Training Act as a potentially effective tool in reducing veteran unemployment. We have promoted it through our national magazine. In the local community we have utilized PSA's, employment newsletters, newspaper announcements, et cetera. We have done this because we do consider this the most significant veteran employment program that is in existence right now.

However, as you know, the program did get off to a slow start, and in our opinion, has not enjoyed active promotion by the VA and the Department of Labor. We believe, contrary to what has been said here today, that much more can be done.

For the reasons outlined in our prepared statement, we support the provisions of H.R. 1408 and encourage their timely enactment. We believe that reducing the number of weeks that a veteran is unemployed to qualify is a much-needed improvement and that the program should be extended to allow for its intended purpose.

We also support the provisions to allow the VRA entry level at GS–11 and to repeal the education requirement.

This concludes my statement and we will be happy to respond to questions.

[The statement of Mr. Magill appears at p. 85.]

Mr. DASCHLE. I want to thank all of you gentlemen for an excellent presentation. It is certainly the kind of news that we hope to hear and is very helpful support for the legislation pending here before the committee.

Mr. Solomon.

Mr. SOLOMON. First, Mr. Chairman, let me also thank all of you gentlemen and your organizations for the input that we had on the original legislation. Had we not had your help and if we had not had your backing, we certainly would not have been able to enact it into law. We thank you for your continued support.

I would also like to comment just briefly on Jim Bourie's statement because he really hit the nail on the head. I think the big problem is getting out and reaching the employer. It is such a good program for so many employers out there and they just don't know about it. Again, as I said, I'm a businessman. Every weekend when I go home I talk to various business groups, and I will throw out the question, has anybody ever heard of this, and 9 times out of 10 they haven't. I know we have made a good, strong effort to get that word out, but it isn't getting out. I guess that is really where we have to direct all of our efforts, as well as the VA, the Department of Labor, and everybody else.

Before I go any further, the disabled veterans had a statement about the New York Vietnam Veterans Memorial Commission report and the California survey. I haven't seen those. If your organization could get us copies of it, I would appreciate it.

Mr. DRACH. We would be happy to submit it, sir.

Mr. SOLOMON. I have one question about changing the GS level from grade 9 to grade 11, and of eliminating the educational restrictions of the VRA. Do any of you gentlemen see any advantage to disabled veterans at all? I'm a little concerned about it if that should happen.

Mr. EGAN. Yes. We would like to reply.

Mr. DRACH. The question was does anybody have any concern as to the disabled veterans. Yes, Mr. Solomon. No. 1, we believe that the liberalization of the VRA, to do away with the 14-year education restriction to nondisabled Vietnam veterans, certainly adds to the pool of eligibles. Right now, disabled Vietnam-era veterans are not restricted by that 14 years of education. Regrettably, disabled veterans already have disadvantages in the labor force in trying to obtain jobs. So that little extra edge that they have right now by not being restricted is very, very helpful. To take that away would be very detrimental.

Many times disabled veterans need more than 14 years education, may even need a master's degree, because of the severity of their disability, in order to compete against other groups.

Mr. SOLOMON. If we were to eliminate it, I think we should take that into consideration whatever it is replaced with.

Mr. DRACH. Yes.

Mr. SOLOMON. The VVA made a statement about the structural problem for Vietnam veterans and I think I probably discussed a little bit of it earlier. But would you care to elaborate on that? In other words, what exactly were you referring to, with it and also with your statement that Vietnam veterans are particularly vulnerable as a class to economic downturns. Please give us a little background on that.

Mr. RHOADES. Yes, sir. Recently I requested of the Bureau of Labor Statistics the unemployment rates of Vietnam veterans, three or four different categories of Vietnam veterans, for each month from 1970 through the end of 1984. In analyzing the data,

we compared it to the national unemployment rates for the same times. What we basically saw was a cycle in which during good economic times the unemployment rate of Vietnam veterans and their nonveteran peers ran just about even. In fact, at times the unemployment rate of Vietnam veterans dipped just slightly.

But, as soon as the economy hit the skids, as it has done several times in the last 15 years, you saw a dramatic rise in the unemployment rate among Vietnam veterans, much steeper than you did among their nonveteran peers.

This is particularly enlightening because the nonveteran age group is youth weighted. The Vietnam veteran age group is an older group, despite the fact that you're comparing, let's say, age 25 to 40. The nonveteran age 25 to 40 is going to have many more people in the 25 to 30 category than the Vietnam veteran. There is a correlation, of course, between age and unemployment rate. If you weight Vietnam veterans unemployment rates against those, the result is even more dramatic.

We think that the reason for this cyclical rise in unemployment is not that Vietnam veterans have trouble getting a job in good economic times. The problem is that they have not gotten into a career track. They have been in what is called the secondary labor market. They do not really need just a job, any job. They need training and they need training for good private sector jobs, which is why CETA never worked for Vietnam vets.

Mr. SOLOMON. That's right.

Mr. RHOADES. The worst thing we could do with them was get them in a public job that wasn't going to last very long. So that's basically what we mean by structural unemployment.

Mr. SOLOMON. That's even more reason why we ought to continue this program. If we have still some 300,000 who have applied, they're still out there, and they're available for these programs. In spite of fairly good times we do have pockets of unemployment, particularly in this group—I think that is even more reason why we should continue that program.

I have other questions which I will submit, Mr. Chairman, with your permission. Thank you very much, gentlemen.

Mr. EGAN. Mr. Chairman, we would like to respond to the DAV's remarks on relaxing the educational limitations for VRA.

I think we can all agree that if the educational limitation is relaxed, you're obviously going to have more people participating in the program. More people participating in the program necessarily means more veterans finding jobs. I think that is a goal we can all agree on.

Mr. SOLOMON. Thank you.

That's all, Mr. Chairman.

Mr. DASCHLE. Thank you.

I introduced the bill but I would like to rebut it a little bit. My view personally has always been to provide a preference or a priority for disabled veterans over and above everything else. The reason it is in the bill is because I share your concerns. But I think somehow we always have to give preference, at least I believe we have to give preference, to disabled veterans over and above everybody. That's a prejudice, perhaps, but one that I feel is an important priority.

Mr. EGAN. We certainly agree with that. The question is whether or not relaxing the educational limitation would, in fact, limit the opportunities for disabled veterans. That is something that I think none of us would like to see.

Mr. DRACH. Mr. Chairman, if I may make just one last comment on that, I believe it will add extra competition because I don't think the Government is going to expand the number of VRA appointments. There is still going to be a stable number of appointments and they are going to go to either disabled or nondisabled. If I could agree with Mr. Egan's comments, I certainly would not oppose the idea. But I just don't think they're going to stand the number of VRA appointments. That's the problem.

Mr. SOLOMON. Mr. Chairman, would you yield?

Mr. DASCHLE. Sure.

Mr. SOLOMON. When do we plan to mark up this bill? Have you set a time?

Mr. DASCHLE. We have tentatively set it for April 3 at this time.

Mr. SOLOMON. Well, I would appreciate it if perhaps our staffs could take a look at this, and if we are going to eliminate it, perhaps we could take a good hard look at ways to amend the bill and still keep that preference for the disabled veterans. I just think it is terribly important, and I know you do, too.

Mr. DASCHLE. Absolutely. I would like to suggest that to our staff, to see if we can work out some kind of arrangement to accommodate both the need to increase opportunities but to protect our disabled veterans.

Did you have a comment, Mr. Jones?

Mr. JONES. Yes, sir. I am Bob Jones from the VFW.

I have heard my colleagues speak today about the need for a continuation of education and the need for vocational training. We heard Mr. Dollarhide speak about educational problems with Vietnam veterans.

I would like to request, sir, that in your markup process you consider section 18 of Public Law 98-77 which provided for the delimiting date of education and extending the vocational rehabilitation and vocational training for veterans.

Mr. DASCHLE. Thank you. That's a good recommendation.

It seems to me that the problems that we have in the bill right now are, one, with regard to outreach, which may be now in the process of being corrected, and the other with match, that you have employers out there, islands unto themselves, so to speak, and veterans out there, 300,000 strong, without an appropriate forum by which the employers and prospective employees are getting together.

I liked Mr. Florio's idea of a match program in New Jersey, but after listening to all the testimony today, it seems to me that we might want to institutionalize a better matching system.

Do any of you have thoughts on how that might be done?

Mr. RHOADES. Well, it is very hard to institutionalize anything with a State agency——

Mr. DASCHLE. I'm not saying State. I'm saying on the Federal level. Can we require, for example, DOL, which has placement responsibilities, to do something beyond what they're doing, to ensure that that match takes place?

Mr. RHOADES. The problem is that DOL is simply the distributor of funds to the State agencies that actually do the field work. That has been a continuing problem we have had in veterans employment. So that if you are going to do something that is going to impact the field, you probably will have to do it through the VA because I don't think the Federal-State partnership is going to change because of this program.

The VA does have some capability, computer capability, outside of the target system which is run by DVB. About a year ago, in fact, the VA authorized the regional offices to buy personal computers—generally IBM PC's, Zeniths, and that sort of thing—which could conceivably build a data base of both employers and applicants, or at least employers, and make distribution.

They have had some success with this program out in the Los Angeles regional office with basically automating and computerizing their employer files, and then making weekly distributions to the employment service.

The problem is that one office will develop a job with an employer but may not find that they have enough qualified applicants, or they just don't have the kind of person the employer is looking for. But the word somehow never gets to another office or doesn't get to the veteran, in general, who may be looking for that kind of work. So somehow that process has to come together.

Mr. DRACH. I think there are three things here that can be looked at. One Dennis touched on, and that is the ideal, the computerized job-matching concept. If you're going to alleviate any human biases or problems associated with that, that is probably the ideal way to go. How soon and how accurate a system that can be, I don't know.

But right now, on a monthly basis, I know at least the VA regional office here in Washington, DC, puts out a computerized list of the name of the job, the name of the employer, the salary for the job, and the contact person in that particular company. As far as I know, it doesn't go beyond the regional office statistically and report people. It is not shared with the DAV in the regional office, it is not shared with the vet center, it is not shared with the VA Voc Rehab Program, and I don't think it is shared with the DVOPs or the LVERs in the area. So right there you have a pool of employers that are certified eligible, and the jobs, and it is not being used.

Last but not least, and probably the hardest thing to do, would be to forget about quantity and start worrying a little bit about quality in the placement process, and let these DVOPs and LVERs do some hand searching, do some hand matching, get down one-on-one and look at the job specs and look at the veteran's experience and education, and then try to match them that way. It's a little archaic but it can work.

Mr. DASCHLE. I started this year thinking that one of our problems was Outreach. I still think it is. But it seems to me it would be a tremendous source of frustration, if you were one of those 300,000 veterans who are successfully reached, and you know there are 43,000 employers out there, and there are maybe 100,000 job slots, but you've already signed up, you've gone through all the hoops, and you're still waiting.

You know, it seems to me we have got to do a better job once we have established that Outreach, as important as that is, to do this match. If we can do it in this bill in some better way than we have, I think we have accomplished something.

Let me ask you one final question, one that I have had the greatest difficulty in resolving in my own mind—and I'm sure many members of this subcommittee feel as I do—that we have got to deal with the budget this year. The deficit that we're facing is incredible. I am one who has advocated an across-the-board freeze: I am absolutely convinced that if you're going to get it done, and if you're going to be fair, it has got to be across-the-board, whatever you do. I don't expect anyone else to agree with that necessarily, but that's my attitude.

Can one who supports an across-the-board freeze or cut somehow advocate something beyond what H.R. 1408 does in terms of authorization?

Mr. RHOADES. Mr. Chairman, let me respond to that.

Yes, I think you can. The funding level for the Emergency Veterans' Job Training Act for the past 2 years has been running at approximately $75 million per year. The administration's proposal was to eliminate funding in 1986. If you were interested in advocating a freeze, it seems to me you could easily advocate a reauthorization at the $75 million level because that would amount to an absolute freeze in money. As a matter of fact, you could probably get away with just a little less than that if you really wanted to save money.

Also one money-saving consideration which Mr. Solomon touched on, and we agree totally, is the fact that this is the kind of program which is not just classroom training. This is a job. The veteran immediately moves from becoming a consumer of taxpayer dollars, as Secretary Donovan said, to a taxpayer. For the average $16,000 a year job, let's say the veteran pays 10 percent of that in taxes. During first year that $1,600 is coming off the $4,000 in training cost, so 40 percent of that $4,000 goes back into the Federal Treasury the first year. This does not count what the veteran is going to pay in State income taxes, what the Government may be saving in terms of income transfer payments such as food stamps, unemployment insurance, AFDC, and so forth.

Also, I think the advantage is that once the veteran gets this kind of quality training, he is not likely to come back on the unemployment insurance rolls and he is not as likely to be a liability to the taxpayer as he was before he got into it.

So, really, if you did a long-term analysis of this program, the Government is probably investing money in a long-term payoff rather than expending Federal dollars.

Mr. SOLOMON. Would the chairman yield at that point?

Mr. DASCHLE. Sure, I would be happy to.

Mr. SOLOMON. What you say, Dennis, is very, very true, and it isn't just the 1-year payback, either. It is the long range. Let's say if it returned $10 million or $15 million, or $20 million to the Treasury actually in the next fiscal year, that's just 1 year. But you have made a reliable taxpayer out of that individual for many years.

Mr. Chairman, I was going to talk to you about it after the meeting, but let me try to answer your question, too. I'm a fiscal conservative and I certainly don't want to spend any more money if we can possibly help it. We have to set examples. But the fact remains that in 1984 we appropriated $75 million and an additional $75 million. Somehow we let the budget resolution go out of this committee without funding this program because we really weren't sure what was going to happen at that time. We do have carryover dollars into 1985.

In my opinion, if we were to authorize an additional $75 million, which might be picked up in a supplemental appropriation bill later on as the appropriation, at least we will have authorized it at less than last year's fiscal spending. To me, that is not even freezing; that's cutting. I think this committee could do that. We could do it in good conscience and have the legislation there on the table. When the time came to make that supplemental appropriation, we could do it.

I tried to bring that out with both the VA and the Department of Labor in the message that they were sending out to their field representatives, that let's don't de-emphasize this program, that this program is going to get funding. Therefore, maybe we ought to do it in the authorization of this bill, if everyone agrees we are not spending additional moneys—and I don't think we are—and in that way we can keep it at a high priority and keep the pressure on to make this priority out there in the field where we're going to get the job done. So that's my feeling.

Mr. RHOADES. Mr. Chairman, I would like to make one other point, and that is the overall spending for readjustment programs operated by the VA declined $212 million between 1985 and 1986, as proposed, chiefly because of the delimiting date. If you include, as I think you ought to, EVJTA as a genuine readjustment program, you still have an overall decline in the number of dollars put out for readjustment programs for veterans.

Mr. DASCHLE. I think we are going to have to accept the fact that whatever we take to the floor is going to be scrutinized in extraordinary detail. We have to be ready with our answers. I don't think we can come out of this committee with anything that is looked upon as an additional new cost, a new expenditure. I can't justify it personally, and I don't think we can win even if I could on the floor. So whatever we do, I think we're going to have to have our act together in terms of the budget so we can defend it and defend it with confidence.

So what I would like to do is to pursue this with the Congressional Budget Office and find a way that will allow us to do all that we possibly can within budgetary grounds. I share Jerry's statement, that obviously, if we're going to be saving money in the process, then let's do it. Let's go beyond what H.R. 1408 provides. I am not bound to it. I introduced this for hearing and discussion purposes, and we'll go from there. But the only ground rule I have is that it has got to be within some kind of freeze or cut and not beyond anything else. I don't think that it's fair to ask the veterans to absorb anything more than any other part of the budget. I don't think that under these conditions we can ask them to benefit any more, either.

Yes, Mr. Egan.

Mr. EGAN. I just wanted to make one further point and to add to your list of justifications for doing something about this program. It has to be kept in mind that the series of employment programs available to veterans are very limited in scope. They have been tailored to address the needs of specific categories of veterans. Without exception, they are all modest programs in comparison to other programs available to other categories of individuals, apart from veterans.

Mr. DRACH. Just one other comment on that issue, Mr. Chairman, that I think was overlooked, and that is the contribution of the veteran working to the GNP. That also has to be looked at. Also—I'm not sure I want to state this publicly, but I will anyway. You know, the dollars that we pay the employer are taxable dollars to that employer, so to the extent that employers pay taxes back, they are taxed on that portion. So there is a return there, also.

Mr. DASCHLE. You see, that's why I think a good, short-term analysis by CBO could be very helpful. Obviously, if all those figures are taken into account, we're not talking about $75 million at all. Somehow, we ought to be able to present that to the committee and to the floor of the House in a way that will clearly show whatever budgetary impact it has and meet the criteria that I have set out personally for this bill.

Thank you all. I appreciate your testimony and your input this afternoon.

Mr. DASCHLE. We will call our last witness, and in the process, unfortunately, I'm going to have to be excused. We do have a friend of mine and a member of the subcommittee who can very ably chair the remaining part of the session.

Our last witness, one who has waited very patiently, is Mr. A.B. Zimmer, the director of Government programs for Management Insights. Mr. Zimmer, we are pleased that you're here. As you know, we are proceeding under the 5-minute rule. Please proceed, and thank you for coming.

STATEMENT OF ARNO B. ZIMMER, DIRECTOR, GOVERNMENT PROGRAMS, MANAGEMENT INSIGHTS, INC.

Mr. ZIMMER. Thank you, Mr. Chairman. It is a pleasure to be here today. I have submitted some testimony for the record, so I am going to summarize very briefly my comments today.

Being the last speaker, alphabetically as well as otherwise, I have the privilege of being redundant. Whether that's a privilege or not, I'm not sure, but some of the things I intended to say today have been ably said by the other speakers.

Management Insights, Inc., which is headquartered in Dallas, TX is a private company. Our clients number over 200 diversified corporations around the country. Many of them are in the Fortune 500 listing, and some of them are small- and medium-sized corporations.

You know, I marvel sometimes. I have been watching Government programs for the private sector since 1969, and I think back to the Manpower Development and Training Act, known as MDTA, and I look at this program, and what I see is a packaging and a

repackaging of many programs that have been around for years. I think in particular of HIRE I, which was an initiative of the U.S. Department of Labor, with a very strong veterans' preference to it. HIRE I went through this same laborious process as I think EVJTA is going through right now. A group of frustrated businessmen, as I recall, went to the Secretary of Labor and asked for an extension of the program. They were granted a 1-year extension. The program started to catch fire, and just as the business community started to say HIRE I is a pretty darned good program for veterans and veterans' preference, the program died. That was the last national program that I can recall that was initiated for the private sector. I would hate to see that same kind of situation develop with EVJTA.

The Department of Labor, I think, has done an excellent job in promoting the program. I have seen their literature. A number of companies have expressed appreciation at seeing a program so simply identified. But it really takes a long time for that message to get back to the private sector, and sometimes it is hard to appreciate that a decision to go into a program as simple as this program has to go through management, legal, and personnel channels.

The private sector still looks at Government programs with a great deal of skepticism, and also EVJTA is a competing program with programs that are sponsored under JTPA, particularly programs for youth. So that has to be kept in mind as to why the program may get off to a slow start.

This program does fill a void that is left by the Job Training Partnership Act. I have heard some comments made about the different titles—title IV-C and title II under JTPA—but there is not that much activity out there in these programs for the Vietnam-era veteran, the Korean conflict veteran, and the disabled veteran. Really, EVJTA fills that void in programs that have to be available to the private sector.

An extension of this program would send the right signal to the private business community, that the Government does mean business, that when a good program is there it will be extended; it will be given an opportunity to succeed.

If the Targeted Job Tax Credit is not extended, for example, it will be one less program out there to serve the veteran community, so that is another reason to look at this program and the extension of this program as a positive sign for the private sector.

With regard to section 2 of the bill, reducing the number of weeks from 15 to 5 weeks, the private sector really looks at a dwindling population out there, in their opinion. They see, particularly with the job-matching problems that have been discussed already with the Job Service, that if they can't get veterans referred out now, and veterans can't be certified after February 28, the program is going to die of its own weight. So when someone says we can reduce that eligibility period of 15 weeks of unemployment to 5 weeks, that sends a signal to the private sector that things can be done to make the program work. Of course, we believe it would create thousands of new jobs in the private sector.

So I can say that this program, you know, is not a panacea. I think it's going to have a catalytic effect. I see now in California in particular where a number of jobs are created under EVJTA and

suddenly the employer opens up additional jobs that aren't funded under this program. They start to see that that relationship with the Job Service or with the VA, with the community-based organizations, can work. So whereas there might be 10 jobs approved under an EVJTA program, suddenly there is 20 or 30 jobs filled with that company in the private sector. So the program does have that catalytic effect, but it needs the time to filter down to the private sector so that the business community recognizes that it's a program there for the long run and not for the short term.

Thank you for your time today. That concludes my remarks.

[The statement of Mr. Zimmer appears at p. 90.]

Mr. BRYANT [presiding]. Thank you for being here.

Are you from Dallas, or are you here——

Mr. ZIMMER. I am here in Washington, DC.

Mr. BRYANT. Your company is based in Dallas?

Mr. ZIMMER. Yes, sir.

Mr. BRYANT. I'm based in Dallas, too. Glad to have you.

Mr. Solomon, do you have any questions?

Mr. SOLOMON. I do if he's got a Texas breakdown, Mr. Chairman, like you—I understand they do things in a big way down there. Maybe you can give us some suggestions on how we can get that word out faster about these programs to the private sector. This seems to be one of the big stumbling blocks we've got, really interesting the private sector. I just can't understand it, so maybe you could elaborate on it.

Mr. ZIMMER. Mr. Solomon, it is a difficult situation. I'm from upstate New York, by the way, sir, so when you comment about Albany, I feel like I'm talking to someone from back home.

It is difficult to comprehend. We have all this literature go out from the Department of Labor. We have these TV spots. Now, I know the TV spots that I have seen are on channel 5 or channel 20 at 3:00 o'clock in the morning. If you have insomnia, you might catch the TV spot. So we have got a problem there.

But I think it's a question of just sheer persistence at this point, keeping the word out there to the private sector that there is a program there, getting the veterans' reps out of that office, the DVOP's, the LVER's, out into the private sector, having more job fairs, and not having job fairs just for veterans, but matching that veteran with the employers, getting them into the chamber of commerce meeting or the Rotary Club meeting or other meetings where you can actually match the veteran with the employer.

But I don't think there is any magic formula. Right now it is sheer persistence to keep on with the job at hand. After all, this program, as I said before, is no newer than the programs we had in the past, HIRE I, which faced exactly the same problems in the midseventies. So I would say persistence is the key at this point.

Mr. SOLOMON. Thank you very much for taking the time. We're sorry you had to wait so long to give your testimony. We do appreciate it very much.

Mr. BRYANT. What aspects of this program are most attractive to employers that you have dealt with?

Mr. ZIMMER. Well, I think there's a couple of attractive features. If you're a Government contractor, it's a way to take affirmative action and get credit for taking affirmative action. There is a way

to document what you should be doing on a statutory basis. I think a lot of the defense contractors look at that primarily as an incentive under this program. If you're a $5 billion company or a $10 billion company or a $20 billion company, and somebody offers you $10,000 to train a veteran, which is taxable income, that is not a tremendous incentive. For a smaller employer, yes, it is.

The Targeted Job Tax Credit Program, by the way, is a linkage with this program because a veteran can qualify for both programs. If the job service does their job the proper way, in my opinion the veteran can come out to that job interview, after job matching, with not only his certificate for this program but also his voucher for TJTC. There is a double sell there that can be made. The employer understands that kind of incentive.

Mr. BRYANT. What provisions of the program causes the most complaints?

Mr. ZIMMER. The most compliance problems?

Mr. BRYANT. The most complaints. In your experience, what provisions of the program are the most troublesome?

Mr. ZIMMER. I think they look at the statutory requirements on the back of the application and the employer gets scared, particularly if he's not a Government contractor. He sees additional obligations. And the employer tends to see this as a contract, in terms of a procurement contract, when in fact it is an agreement that probably comes under the Federal Grants and Cooperative Agreements Act. But the employers don't understand that difference. I have talked to a number of large businesses that simply are shying away from this program because they perceive it as a contract.

Mr. BRYANT. Any further questions?

Mr. SOLOMON. Mr. Chairman, in view of some of the things that have been said today, I want to say that when Congressman Leath and I originally started working on this legislation, we were going under the concept of putting it all under the VA. We were talked into including the Department of Labor. The reason that we were, and the reason I say this, is because the VA today has been maybe unduly criticized for not being more successful in placement. It really is not the Veterans' Administration's job to place. I mean, they are a certification and a payment agency. Placement is not their job.

That is why we had to split it off in the beginning, even though Congressman Leath and I didn't want to do that, because we were afraid we would run into problems in separating responsibilities here. So I just wanted to say a little bit on behalf of the Veterans' Administration, not to unduly criticize the Department of Labor, but I really think the VA has done an outstanding job. I think we can help both agencies to do a better job.

Mr. BRYANT. Mr. Zimmer, thank you very much for coming and waiting for so long to testify.

There being no further witnesses, the committee will stand adjourned.

[Whereupon, at 3:45 p.m., the subcommittee was adjourned.]

APPENDIX

99TH CONGRESS
1ST SESSION

H. R. 1408

To amend the Emergency Veterans' Job Training Act of 1983 and title 38, United States Code, with respect to certain veterans' employment programs.

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 1985

Mr. DASCHLE (for himself, Mr. MONTGOMERY, Mr. HAMMERSCHMIDT, Mr. EVANS of Illinois, Ms. KAPTUR, Mr. BRYANT, Mr. FLORIO, Mr. GRAY of Illinois, Mr. MCEWEN, Mr. WYLIE, Mr. SOLOMON, and Mr. HENDON) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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A BILL

To amend the Emergency Veterans' Job Training Act of 1983 and title 38, United States Code, with respect to certain veterans' employment programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Employment Amendments of 1985".

SEC. 2. EXTENSION OF EMERGENCY VETERANS' JOB TRAINING ACT.

(a) EXTENSION.—Section 17 of the Emergency Veterans' Job Training Act of 1983 (Public Law 98–77; 29 U.S.C. 1721 note) is amended by striking out "February 28, 1985" and "September 1, 1985" and inserting in lieu thereof "December 31, 1985" and "July 1, 1986", respectively.

(b) ELIGIBILITY.—Section 5(a)(1)(B) of such Act is amended by striking out "fifteen of the twenty" and inserting in lieu thereof "5 of the 20".

SEC. 3. VETERANS READJUSTMENT APPOINTMENTS.

(a) LEVEL AND ELIGIBILITY.—Section 2014(b)(1) of title 38, United States Code, is amended—

(1) by striking out "GS–9" in clause (A) and inserting in lieu thereof "GS–11"; and

(2) by striking out "who is" in clause (C) and all that follows in that clause through "line of duty".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to appointments made after September 30, 1985.

STATEMENT OF HONORABLE THOMAS A. DASCHLE, CHAIRMAN

SUBCOMMITTEE ON EDUCATION, TRAINING & EMPLOYMENT

LEGISLATIVE HEARING ON H.R. 1408, TO AMEND THE EMERGENCY

VETERANS' JOB TRAINING ACT

MARCH 19, 1985

(FOR THE RECORD)

THE SUBCOMMITTEE WILL COME TO ORDER, PLEASE.

FIRST, LET ME WELCOME ALL OF YOU HERE TODAY TO THE FIRST MEETING OF THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT FOR THE 99TH CONGRESS. I LOOK FORWARD TO SERVING AS CHAIRMAN OF THIS SUBCOMMITTEE AND WORKING WITH ALL OF YOU AS WE EXPLORE ISSUES OF IMPORTANCE TO OUR NATION'S VETERANS.

WE ARE MEETING TODAY TO REVIEW LEGISLATION WHICH I RECENTLY INTRODUCED, H.R. 1408, THE "VETERANS' EMPLOYMENT AMENDMENTS OF 1985". THIS BILL WOULD EXTEND AND EXPAND THE EMERGENCY VETERANS JOB TRAINING ACT (PUBLIC LAW 98-77), AND WOULD ALSO MAKE IMPROVEMENTS IN THE VETERANS READJUSTMENT APPOINTMENT PROGRAM.

I KNOW THAT THE FUTURE OF EVJTA IS OF PARTICULAR INTEREST TO ALL OF US. UNDER THE CURRENT PROVISIONS OF THE PROGRAM, FEBRUARY 28TH WAS THE LAST DAY A VETERAN COULD APPLY TO PARTICIPATE IN THIS PROGRAM AND SEPTEMBER 1ST OF THIS YEAR THE DATE BY WHICH A VETERAN MUST BE PLACED IN A JOB TRAINING PROGRAM. RECENT STATISTICS INDICATE THAT THE PROGRAM IS NOW DEMONSTRATING A GROWING POPULARITY AND SUCCESS. DATA RELEASED MARCH 11TH SHOW THAT OVER 300,000 VETERANS HAVE BEEN CERTIFIED AND RECERTIFIED FOR PARTICIPATION IN EVJTA, AND THAT MORE THAN 43,000 EMPLOYERS HAVE BEEN APPROVED FOR PARTICIPATION. THESE EMPLOYERS HAVE PROVIDED OVER 100,000 APPROVED JOB SLOTS AND 26,000 VETERANS HAVE BEEN PLACED IN JOBS UNDER EVJTA. THIS IS A GOOD RECORD AND THE PROGRAM HAS ASSISTED A GREAT MANY VETERANS IN THEIR EFFORTS TO GET OFF THE UNEMPLOYMENT ROLLS AND INTO PRODUCTIVE JOBS. THERE ARE STILL, HOWEVER, OVER 400,000 VIETNAM ERA VETERANS OUT OF WORK. I BELIEVE THAT THIS IS AN ARGUMENT FOR GRANTING THE PROGRAM A LITTLE EXTRA TIME. ADDITIONALLY, APPROXIMATELY $50 MILLION REMAINS AVAILABLE FOR USE UNDER EVJTA. IF WE HAVE THE

MONEY, AND WE HAVE THE EMPLOYERS, AND WE HAVE THE VETERANS, IT SEEMS TO ME WE SHOULD SERIOUSLY CONSIDER GRANTING THE TIME SO THAT MORE VETERANS AND EMPLOYERS WILL HAVE AN OPPORTUNITY TO HELP EACH OTHER, AS WELL AS THE COUNTRY'S PRODUCTIVITY.

UNDER H.R. 1408, VETERANS WOULD HAVE UNTIL DECEMBER 31, 1985, TO APPLY FOR CERTIFICATION FOR EVJTA AND UNTIL JULY 1, 1986, TO BE PLACED IN A JOB. THE BILL WOULD ALSO REDUCE THE 15-WEEK UNEMPLOYMENT CRITERIA TO 5 WEEKS. I LOOK FORWARD TO HEARING YOUR VIEWS ON THESE PROPOSALS AND INVITE COMMENTS AND SUGGESTIONS YOU MAY HAVE REGARDING THIS PROGRAM.

H.R. 1408 WOULD ALSO MAKE IMPROVEMENTS IN THE VRA PROGRAM. SECTION 3 OF THIS BILL WOULD RAISE THE CURRENT MAXIMUM GRADE LEVEL OF GS-9 TO GS-11 AND WOULD ELIMINATE THE CURRENT 14-YEAR EDUCATION RESTRICTION FOR NON-DISABLED VETERANS. WHEN THIS PROGRAM WAS ESTABLISHED BY EXECUTIVE ORDER 11521 IN 1970 AS A

MEANS TO HELP IN THE READJUSTMENT OF VETERANS RETURNING FROM SOUTHEAST ASIA, MANY OF THESE VETERANS LACKED THE SKILLS AND ADVANCED EDUCATION NEEDED TO COMPETE IN A TIGHT LABOR MARKET. SINCE THEN, HOWEVER, MANY VIETNAM ERA VETERANS HAVE PURSUED AN EDUCATION AND ACQUIRED MORE ADVANCED SKILLS. IN VIEW OF THIS, I THINK WE SHOULD CONSIDER AMENDING THE PROGRAM SO THAT THOSE VETERANS WHO HAVE ENHANCED THEIR EDUCATION ARE NOT DENIED ELIGIBILITY FOR NONCOMPETITIVE ENTRY TO FEDERAL JOBS AT A SUITABLE GRADE LEVEL.

BEFORE WE PROCEED, I WOULD LIKE TO YIELD TO THE RANKING MINORITY MEMBER OF OUR SUBCOMMITTEE, MR. MCEWEN OF OHIO.

WE HAVE A GREAT MANY WITNESSES WITH US TODAY, AND THE FIRST IS OUR DISTINGUISHED COLLEAGUE AND A MEMBER OF THIS SUBCOMMITTEE, JIM FLORIO.

STATEMENT OF HON. JAMES J. FLORIO

TO SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

TO THE HOUSE VETERANS AFFAIRS COMMITTEE

MARCH 19, 1985

Thank you, Mr. Chairman. I am happy to be here with you today, this time appearing as a witness, rather than a subcommittee member. It is indicative of the importance of my report that we are here in these somewhat unusual circumstances.

I am honored to be among our colleagues who have cosponsored legislation which you have introduced calling for the extension of the Emergency Veterans Job Training Act. H.R. 1408, the Veterans Employment Amendments of 1985, will allow even more veterans to register and participate in the valuable training and employment program.

Mr. Chairman, I speak to you today from firsthand knowledge of the situation of the Job Training Act as it exists in the state of New Jersey. Last week, on March 11, I sponsored with the Veterans Administration and the New Jersey Department of Labor an event which I believe may be relevant to all of us. "OPERATION MATCH: VETERANS & EMPLOYERS" was a one day event which in effect was the largest veterans job fair of its type ever to be held in New Jersey. While the scope of its success is still being measured, there were several important lessons which we learned.

The primary fact of the matter remains that there are many hundreds of veterans out there who are still unemployed. Nearly 750 veterans turned out for OPERATION MATCH, a number which was in our estimate quite large for our area in Southern New Jersey. Many of the veterans were lacking complete information about appropriate procedures to follow to register for the program or even that for those purposes the program had in fact expired for new registrants. In short, it was quite apparent that a great deal more of what has been termed "outreach" needed to be done.

Fortunately, the large numbers of veterans attending were able to benefit from the hard work done by those organizing the event. OPERATION MATCH saw some 107 employers in attendance that day at Camden County College. Through the work of the Camden County offices of Employment & Training we were able to insure that each employer received three follow-up phone calls after having signalled his initial interest in attending. It was this type of persistence which made the event successful.

I am told that having over 100 employers present at a job fair is nearly an unprecedented occurrence. It was indeed fortunate that we did have that many prospective jobs available so as to better service the large number of veterans. But, Mr. Chairman, it was not only for the jobs that the veterans came to OPERATION MATCH. It was for other needs as well. In the areas dedicated to the national and local veterans service organizations, state Agent Orange Commission, Educational Service desk and others, there was always a constant flow of traffic.

Without the hard work of the people of the Veterans Administration, Camden County, the state Department of Labor, and various veterans organizations, it is doubtful that OPERATION MATCH would be as successful as it was. I am confident that

after the full figures are gathered -- those that will indicate exactly how many jobs were filled on March 11 -- that we will be able to see a significant impact upon the total New Jersey jobs filled through the Emergency Veterans Job Training Act.

Mr. Chairman, I strongly support an extension of the Emergency Veterans Job Training Act as called for by H.R. 1408. It is important that the hundreds of veterans I met at OPERATION MATCH last week be given the added opportunities that the extension will offer them to find and maintain a job. I cannot emphasize the importance of "outreach" and the real needs associated with veterans who are unemployed. One cannot do enough -- it is that simple.

For OPERATION MATCH we aired a television public service announcement featuring Ron Jaworski, quarterback of the Philadelphia Eagles, and myself, urging veterans to attend the event of March 11. That same PSA was distributed to some 22 radio stations in the Delaware Valley area and, in fact, the soundtrack received relatively significant amounts of air time. We worked continuously with the veterans service organizations and all parties involved to insure that as many veterans as possible learned of OPERATION MATCH. Mr. Chairman, although we were successful I am sure that many more veterans are "out there" who were not reached by our messages. This is why this legislation is so important to all of us.

I would like to recommend that provisions be made in the upcoming extension of the Act to increase the amount of "outreach" being done. I am convinced, after what I experienced last week, that there are many thousands of veterans who have not yet benefitted from the provisions of this legislation. Mr. Chairman, I would be more than willing to share our plans and ideas which created OPERATION MATCH with any Member. In my view, we have developed a textbook approach to meeting the needs of veterans in our area, and if there is any Member who feels that our experience would be helpful to him I would gladly confer with him.

Thank you very much, Mr. Chairman, for this opportunity to tell the subcommittee of our efforts to implement this program. I would be happy to answer any questions which you or the subcommittee may have.

STATEMENT OF C.L. DOLLARHIDE, DIRECTOR, EDUCATION SERVICE, VETERANS' ADMINISTRATION, BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT COMMITTEE ON VETERANS' AFFAIRS, HOUSE OF REPRESENTATIVES, MARCH 19, 1985

Mr. Chairman and members of the subcommittee: I am pleased to be here this morning to present the views of the Veterans Administration on H.R. 1408, 99th Congress, which would amend certain provisions of the Emergency Veterans' Job Training Act of 1983 [EVJTA] and expand authority to make veterans readjustment appointments in the civil service, for Vietnam-era veterans and certain disabled veterans.

Section 2 of the bill would extend both the intitial application and training-commencement deadlines under the EVJTA by 10 months—until December 31, 1985, and July 1, 1986, respectively. It would also liberalize current eligibility criteria for veterans, by reducing the requisite period of unemployment, from 15 of the 20 weeks immediately preceding application to 5 of the 20 weeks immediately preceding application.

The EVJTA was enacted to deal with an unemployment problem among veterans which was much more critical than that which exists today. For example, in August 1983, the unemployment rate for Vietnam-era veterans in the 35 to 39 age category was 6.2 percent. By August 1984, that rate had dropped to 5.4 percent, and by December 1984, it had dropped to 4.3 percent, as compared to 4.5 percent for all males in the 35 to 39 age category. In terms of actual numbers, in August 1983, there were 181,000 unemployed Vietnam-era veterans in this age bracket, as compared to 142,000 in December 1984—a decrease of 39,000.

I am pleased to report to the Subcommittee that as of March 11, 1985, some 25,889 veterans have been placed in jobs under the EVJTA. Over $100.3 million has been obligated under the program through that date. Employer applications received have jumped from 30,000 on September 10th of last year, to over 45,000 as of March 4, 1985. We project that approximately 5,000 to 6,000 more veterans will be place in job training by the end of this fiscal year.

While noting the contribution made by the EVJTA, we would also point to the considerable improvement in the economy since August 1983. This improvement in economic conditions, coupled with the reduction in the unemployment rate for this particular group of veterans, indicates to us that the emergency situation which prompted enactment of the EVJTA no longer exists.

Additionally, Vietnam-era veterans, along with veterans of other war periods, receive job assistance from State and Federal programs, including $112 million proposed by the Department of Labor for State employment assistance to be used in placing an estimated 500,000 veterans.

Therefore, we do not feel that extension of the program's application and training-commencement deadlines, and liberalization of eligibility requirements, is not warranted. Accordingly, we oppose enactment of this proposal.

Section 3 of the bill would expand the number of veterans eligibile for VRA appointments by (1) eliminating the current prohibition against granting appointments to nondisabled veterans under this authority if they have had over 14 years of education, and (2) increasing the maximum grade level for appointments from GS-9 to GS-11.

Mr. Chairman, inasmuch as this program is under the jurisdiction of the Office of Personnel Management, we defer to that Office for their views on this proposal.

That concludes my prepared testimony Mr. Chairman. I will be pleased to answer any questions you or other members of the Subcommittee may have.

STATEMENT OF DONALD E. SHASTEEN
DEPUTY ASSISTANT SECRETARY FOR
VETERANS'EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATED STATES HOUSE OF REPRESENTATIVES

March 19, 1985

Mr. Chairman and members of this subcommittee:

Thank you for this opportunity to appear today to discuss H.R. 1408, the "Veterans' Employment Amendments of 1985", a bill to extend the Emergency Veterans' Job Training Act of 1983. With me today is Mr. Joseph Juarez, Director, Office of Veterans' Employment and Training Programs.

In August 1983, the Congress enacted and the President signed the Emergency Veterans' Job Training Act (EVJTA) to address the problem of severe and continuing unemployment among veterans. Up to that time, the rate of unemployment among Vietnam veterans had been a major problem - significantly higher than that for their nonveteran peers. The Department of Labor was given the responsibility for informing the private sector about the job training opportunities available, and the advantages of participating in the program established by the Act. In addition, the Department, through the State and Assistant State Directors for Veter-

ans' Employment and Training Service, and the nationwide network of Disabled Veterans' Outreach Program specialists and local veterans employment representatives was to assist veterans in taking advantage of job training opportunities under EVJTA.

Mr. Chairman, within the Department of Labor, we in the Office of the Assistant Secretary for Veterans' Employment and Training made the EVJTA a high priority program. At the national and State levels we have implemented a number of promotional campaigns to reach veterans and employers. We have communicated regularly with the Governors and others to urge continuing support for the program at the State level. We established a national goal to place 30,000 eligible veterans into jobs my March 1, 1985, with individual goals for each State. I am pleased to tell you today that we have largely met our goals and succeeded in making this program fulfill the intentions of Congress.

The latest data from the Veterans Administration indicate that, through the end of February, over 303,000 veterans have been certified as eligible for the program including almost 72,000 veterans recertified as eligible. Over the course of the program more than 43,000 employers have

had training programs certified representing about 102,000 jobs. Many certified veterans have found jobs, either on their own as the economy has improved or with the assistance of the Job Service. However, we have been successful in putting about 26,000 veterans into jobs under this program.

Mr. Chairman, in the average week, 4,100 veterans applications and 670 employer applications representing 1560 jobs have been approved. During the same average week, over 460 eligible veterans have been put into jobs under EVJTA.

I am proud to note that twenty-one States have met, or exceeded, their goals for placing veterans in jobs under EVJTA.

The bill being considered by this subcommittee, H.R. 1408, would extend the provisions of EVJTA by ten months by amending Section 17 so that veterans may apply for participation through December 31, 1985 and an employer may begin a program of training through July 1, 1986. In addition, a veteran would be eligible when unemployed for 5 of the preceding 20 weeks. Mr. Chairman, we do not believe that either provision is needed.

Mr. Chairman, the unemployment problem among veterans was much more severe when the EVJTA was enacted than it is today. In the month prior to enactment of EVJTA, the unemployment rate for all Vietnam veterans was 9.1%, while that for nonveterans was 8.4%. Today, this is not the case. The most recent data show that the unemployment rate for Vietnam veterans, at 6.0%, is actually below the 6.2% rate for nonveterans. The economy has been the basic source of improvement. We believe however that this program has had some impact on this problem. Accordingly, we oppose enactment of this proposal.

We will be pleased to answer any questions you may have.

STATEMENT OF TERRY W. CULLER

ASSOCIATE DIRECTOR

U.S. OFFICE OF PERSONNEL MANAGEMENT

BEFORE THE COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT

U.S. HOUSE OF REPRESENTATIVES

HEARING ON H.R. 1408,

MODIFICATION OF THE VETERANS READJUSTMENT APPOINTMENT (VRA)

PROGRAM

MARCH 19, 1985

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity of presenting the Office of Personnel Management's (OPM) views on H.R. 1408, legislation which would modify the Veterans Readjustment Appointment (VRA) Program, with respect to the maximum entry level grade and the educational limit for participation in the program.

The VRA Program has been a great success in providing employment for those Vietnam era veterans who need help. It allows agencies to hire these veterans without competition on Civil Service examinations and subsequently to convert them to career or career-conditional appointments after two years of satisfactory employment and training.

The hiring results are impressive. Since the program was established by President Nixon in 1970, VRA's have provided employment opportunities for more than a quarter of a million Vietnam era veterans.

Minorities have received an average of 38 percent and women 9 percent of the total veterans readjustment appointments. Preliminary data for FY 1984 show 20,704 VRA appointments made. This represents approximately 5.2 percent of total Federal accessions in 1984. More importantly, the 20,704 VRA accessions is the highest number since 1980 and the third largest number of annual hires since the program began in 1970.

The VRA Program is a voluntary one. The VRA authority competes for its use with other vital public policy goals and measures. There are no added costs associated with the program. No new positions are created. The appointments are counted against agencies' personnel (FTE) ceilings.

OPM has taken significant actions to encourage greater participation by Federal agencies in the VRA Program. These actions include: providing technical assistance and advice to agencies, monitoring and evaluating the program by our regional offices, publicizing the program through Federal Executive Boards (FEB's) and Interagency Advisory Groups (IAG's) committee meetings, dispensing helpful job information to veterans through our network of Federal Job Information Centers (FJIC's), participating in winter meetings and national conventions of veteran groups, emphasizing our policy guidance and increasing our cooperation with the VA, Department of Labor, and the President's Committee on the Employment of the Handicapped.

In addition, we have successfully launched a training course, "Veterans Employment Programs: A Workshop," a two day course designed for Government employees with the responsibility for Veterans Employment Programs. A major component of this course covers the policies and procedures of the VRA Program and how agencies can use the VRA authority more effectively. Agency participant comments have been highly favorable. The resource participation of the veteran organizations and VA have contributed to the success of the course.

The Federal Government, as an employer, can, through this program, help reduce the rate of unemployment that exists among certain Vietnam era veterans.

The most effective action the Federal Government as an employer can take to assist Vietnam era veterans is to promote the successful Veterans Readjustment Appointment Program.

Before this Committee's oversight hearing in September 1983, Director Devine urged that several improvements be made to the VRA Program to make it more fair and effective. First, he counseled that the maximum grade level for appointment should be raised from GS-7 to GS-9, pointing out that such action would enhance the effectiveness of the program because agencies would have increased flexibility to make employment decisions. Setting the level at GS-9 recognizes that some Vietnam era veterans have obtained the necessary experience and education to qualify for a higher grade than previously allowed under the program.

The Congress responded by raising the maximum entry level to GS-9 in P.L. 98-543, which was enacted only recently in October 1984. OPM continues to believe that GS-9 is the appropriate maximum entrance grade level for the VRA program. GS-9 is an advanced trainee grade level for many professional and administrative occupations in the Federal Government. It is not only the correct grade for the program but it fits in with the spirit of the original Executive order on the VRA. GS-11, on the other hand, is a journeyman level in most instances and is inappropriate for use as an entry level grade in the VRA program. OPM opposed the GS-11 entry level grade last year when it was considered by this committee.

Second, the Director urged the 14-year education limit for nondisabled Vietnam era veterans should be waived altogether. It is an artificial limit which discourages improving skills through education. It is the case that Vietnam era veterans are taking advantage of higher education. An increased number of veterans went back to school because they did not want to lose their GI educational benefits and, given the tight job market in the past, these veterans opted for school in lieu of unemployment. To deny them employment because they elected to enhance their education is to defeat the main purpose of the VRA Program which is to provide long-term employment opportunities to Vietnam era veterans. Accordingly, OPM supports this portion of H.R. 1408.

As you know, OPM's recommendations for changes in the VRA Program were substantially enacted by the Congress in P.L. 98-543, which include:

1. The change to maximum GS-9 entry level;
2. The elimination of the semiannual VRA Program report requirement in favor of an annual report; and
3. Appeal rights for VRA appointees during their first year of employment.

Again, let me say that the VRA is a cost-effective program. No additional employment costs are incurred in using it. It provides a quick and efficient way of employing deserving veterans. And as you are aware, it is a very popular program in the Federal Government.

Mr. Chairman, I will be pleased to answer any questions.

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STATEMENT OF

DENNIS K. RHOADES

EXECUTIVE DIRECTOR,

VIETNAM VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING, & EMPLOYMENT

HOUSE VETERANS AFFAIRS COMMITTEE

MARCH 19, 1985

★ A not-for-profit national veterans service organization ★

48-011 O—85——3

Mr Chairman and Members of the Subcommittee. Vietnam Veterans of America (VVA), is pleased to once again be invited before you to share our views on the Emergency Veterans Job Training Act. As you are probably already aware, our advocacy and support for this program is of long standing. We proposed the concept of an employer reimbursement, on-the-job training program as far back as 1979. We worked diligently for the passage of EVJTA in 1983, in the face of what we perceived to be a profound disinterest in the structural unemployment and underemployment problems which have dogged Vietnam veterans for a decade and a half.

I want to touch upon this disinterest for a moment because it is symptomatic of a problem which has made it very difficult to develop any federal veterans employment policy in the last ten years. Too many in the veterans community have been content to focus upon high profile issues and programs be they education, compensation or health care for veterans and have shown neither the inclination nor the interest in developing a means for dealing with persistent cycles of unemployment among Vietnam veterans.

Mr. Chairman, the returning veteran has some major readjustment needs: employment, education, psychological readjustment and housing. Of these four, we had a GI Bill for education, the Vet Center program for psychological readjustment, and the VA Home Loan Guaranty program for housing. Each of these programs was designed as a long term initiative, in recognition of the fact that the needs of returning veterans cannot be met over a short span of time. Could you imagine for example, a GI Bill program being authorized and operated from 1972 to 1973, reauthorized and

operated again from 1977 to 1978, and authorized still a third time from 1984 to 1985? Could you actually expect such a program to work? Yet this is precisely what has happened with employment programs for Vietnam veterans since 1970.

It can certainly be no mystery, then, why unemployment among Vietnam veterans has remained at nearly half a million at any given time during the last fifteen years. When I appeared before this subcommittee last fall, I noted that there has been no consistent or coherent federal policy to guide the development of programs which would once and for all attempt to employ and train Vietnam veterans in stable career-oriented jobs. If we have had any policy at all, it has been only to apply a series of bandaids to a serious problem. If the unemployment record is conscientiously examined it will be seen that the cycles of high unemployment among Vietnam veterans continue unabated. In fact, the historic high watermark in numbers of Vietnam veterans unemployed was reached in 1983, fully ten years after the last combat troops left Vietnam. Although that number may have shrunk to over 400,000 at present, the record strongly suggests that the 1983 rise in unemployment will not be the last. It is certainly true that fluctations in the Nation's economy are a major contributing factor to these cycles of unemployment, but two points ought to be borne in mind. First, Vietnam veterans are particularly vulnerable as a class to economic downturns. In good economic times, the unemployment rate for Vietnam veterans will remain at, or even slightly below, the unemployment rate for the nation. During recessions, however, the Vietnam veteran unemployment rate has

consistently risen faster than, and has significantly exceeded, the national unemployment rate. Second, the Vietnam veteran labor force, unlike the national labor force, is an aging population. As a segment of the labor force grows toward middle age, its over all unemployment rate normally shows a consistent decline, regardless of economic downturns. This was the case with Korean and World War II veterans; it is not the case with veterans of the Vietnam war. This suggests that many Vietnam veterans have not found their permanent niche in the labor market. That means, Mr. Chairman, that the problem is not cyclical: unemployment and its corollary underemployment, are structural problems for Vietnam veterans. Thus, no temporary program is likely to have an impact upon their unemployment problems.

VVA's questions are simple: How much longer is this to be allowed to continue? Are we going to insist upon imposing short-term remedies on a problem whose only solution must be long term?

Mr. Chairman, VVA is pleased that you have introduced HR 1408 to extend the program through the end of this calendar year. This bill, however, is not sufficient in and of itself to address the problem. Alone, the proposed extension is likely to confuse the employer community which is only now becoming familiar with the benefits and advantages of hiring veterans under EVJTA. As we have indicated to the Committee in prior testimony, EVJTA despite its title, should not be seen as an emergency program. Rather, it is the first successful program which really addresses the underlying structural problem responsible for the dramatic cyclical rises in unemployment among Vietnam veterans. There are no quick

fixes to the problem. VVA therefore views HR 1408 as a companion piece to HR 1122 which was introduced earlier this year by Mr. Leath and Mr. Solomon. HR 1122 would extend EVJTA, at a cost of $75 million per year for three more years. We urge this subcommittee to consider HR 1122, at the earliest possible date. HR 1408's extension of the program would allow the Congress time to act on this three year reauthorization.

Mr. Chairman, the Committee on Veterans Affairs has rejected many of the Reagan Administration's proposed program cuts, and has recommended restoration of funds in areas such as medical care and home loan guaranty, to name two. Yet, the Committee has taken no such action in regard to EVJTA. I hope that this does not mean that the Committee considers the unemployment problems of Vietnam veterans of any lesser importance than other needs.

VVA recognizes that this is a difficult budget year for the federal government and that budget deficits need to be reduced. Nevertheless, we believe that reauthorization of EVJTA is an investment not only in the veterans it assists, but in the economy. It does not, as critics charge, merely add to the federal deficit. Secretary Donovan put it very well in an interview with the DAV Magazine. He said: "If the program works, these veterans will be taxpayers, not consumers of tax dollars." It is important to keep in mind that veterans hired under this program become taxpayers immediately, which in federal taxes alone offsets perhaps 40% of the program's cost to the government during the veteran's first year of work. Add to this, state and local taxes as well as unemployment and other income transfer payments, and the program's

actual cost in tax dollars is minimal. In the meantime, the program is creating new private sector jobs and skilled labor for a rapidly changing economy.

Mr. Chairman, employment programs require time to become effective. It is simply not possible to implement a successful program in a year or two years, unless the governnment itself is the employer. If the private sector is to employ our veterans, as we firmly believe should be the case, it takes time for the program to be known in the employer community and time for that community to have confidence in the program. Employers want no part of a shortlived program. Nor do our veterans. We have had more than enough of them.

VVA urges this subcommittee to take whatever actions are necessary first, to extend EVJTA so that the program will not lapse; second, to reauthorize the program through the passage of HR 1122. We strongly recommend that these actions include assuring that funds are available for the program in the FY 1986 and subsequent budgets.

Mr. Chairman, I appreciate the opportunity to appear here today. I will be happy to answer any questions that you or other members of the subcommittee may have.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION,
EMPLOYMENT AND TRAINING
HOUSE VETERANS AFFAIRS COMMITTEE
MARCH 19, 1985

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 967,000 members of the Disabled American Veterans, it is indeed my honor and privilege to appear before you today to discuss employment initiatives for veterans, especially those aimed at improving the plight of Vietnam era and disabled veterans.

At the outset, Mr. Chairman, I would like to thank you and the numerous cosponsors for introducing H. R. 1408 on March 5, 1985 which is the major issue to be discussed today.

I would also like to thank your colleagues, Mr. Leath and Mr. Solomon as well, who introduced H. R. 1122 -- a DAV initiative. Realizing, however, the budgetary implications of that bill, I will direct my comments to H. R. 1408, as it offers a reasonable alternative to the provisions of H. R. 1122.

On behalf of the Disabled American Veterans, I wish to commend the entire membership of this Subcommittee for its strong leadership and concern for the problems faced by many unemployed

veterans. Similarly, the entire House Committee on Veterans Affairs deserves our praise for its ongoing effort to meet the needs of unemployed veterans.

Mr. Chairman, H. R. 1408 as introduced contains two major provisions: 1) To extend and amend the Emergency Veterans' Job Training Act of 1983 (EVJTA, P. L. 98-77); and 2) to amend the Veterans' Readjustment Authority (Section 2014(b)(1) of Title 38, U. S. Code) to increase the maximum entry grade level from GS-9 to GS-11 and eliminate the current education restrictions placed on non-disabled Vietnam era veterans. Mr. Chairman, the Disabled American Veterans wholly supports the former but has serious reservations about the latter. Our reservations will be discussed later in my statement.

Mr. Chairman, the DAV believes it can be stated unequivocally that EVJTA, like so many new programs, was extremely slow getting started. Just when the program appears to be addressing the concerns which justified its enactment -- EVJTA is about to expire. Despite optimistic projections by the Administration, disabled and Vietnam era veterans still face, in our view, unacceptable unemployment levels.

The DAV takes exception to the Administration's assertion contained in its Fiscal 1986 VA budget that "...the economic conditions which the Emergency Veterans' Job Training Act of 1983 proposed to relieve will have been alleviated."

"Alleviated,"? Mr. Chairman, we think not.

Mr. Chairman, while there have been more than 95,000 job slots approved, under the program there have only been 24,988 actual placements as of February 28, 1985. This means that just a little more than one of every four approved job slots has been filled. By contrast, Mr. Chairman, almost 300,000 eligible veterans have been certified which leaves almost 270,000 certified eligibles who have not been placed as of March 1, 1985. I doubt that these scores of thousands of veterans believe that economic conditions have been "alleviated."

Other data that support the need for an extension are available for analysis published by the Department of Labor's Bureau of Labor Statistics. While it certainly can be acknowledged that unemployment among Vietnam era veterans has decreased over the past several years, at the end of February 1985 there were still officially 416,000 unemployed Vietnam era veterans. We do not know how many of those are included in the aforementioned EVJTA certified eligibles.

Another interesting statistic is the net increase in total civilian employment during the period February 1984 to February 1985 -- 2,797,000 in all. According to the Bureau of Labor Statistics, there are 126,000 less veterans unemployed in February 1985 than there were in February 1984. This means that of the almost 3,000,000 new jobs, veterans obtained 4.5% of them.

48-011 O—85——4

Hardly an "alleviation" of the economic problems that prompted the original passage of EVJTA.

Mr. Chairman, there are studies and data that support the need for extending EVJTA. A study of the employment needs of Vietnam veterans in New York City was recently prepared for that city's Vietnam Veterans Memorial Commission. While the study was restricted to Vietnam theater and Vietnam era veterans in a relatively small area of New York, i.e., Brooklyn, some disturbing conclusions were found that might exist in other parts of the country and, for that matter, the country as a whole. The following is excerpted from the summary portion of the report:

* Ten percent of New York City Vietnam veterans were unemployed.

* Veterans who were exposed to higher levels of combat were jobless at higher rates than those with less combat exposure. Eighteen percent of high combat veterans were unemployed compared to six percent of low combat veterans.

* An additional five percent of Vietnam veterans were not working nor were they looking for work.... More minority veterans and heavy combat veterans had dropped out of the labor force than had their counterparts. (emphasis added)

* Vietnam veterans were more densely concentrated in low paying jobs.

* Vietnam veterans appeared to experience more difficulty in hold (sic) onto prestigious, high paying jobs then did Vietnam era veterans.

* Eleven percent of Vietnam veterans reported

they had not finished high school....[they] held an average of five jobs since leaving the military.

* [Disabled veterans] were more likely to experienced (sic) extended periods of unemployment than were the non-disabled.

Mr. Chairman, there were other significant findings in the New York study and if the Administration continues to believe that we no longer need the Emergency Veterans' Job Training Act perhaps they should read the study in its entirety.

Mr. Chairman, permit me to call your attention to another survey done for the California Employment Development Department by the Center for Community Economics -- a survey of California's unemployed and underemployed Vietnam era, disabled as well as those recently separated from military service. Some of their significant findings are as follows:

* Vietnam veterans are unemployed for an average of 50 weeks.

* They are unemployed on the average 22 weeks longer than those with no service in Vietnam and 30 weeks longer than the national average for all unemployed persons.

* Vietnam veterans have a median household income of $5,625; 37% lower than those VEVs surveyed who did not serve in Vietnam and 80% lower than the national VEV population. (These data were extracted from the Veterans Administration's publication "Data on Vietnam Era Veterans," September 1983.)

* There are three times as many service-connected disabled among the unemployed

and underemployed than among the national VEV population.

* Seventy-five percent of the veterans surveyed want training but have no means of support while in training.

* The median household income for disabled veterans was $6,750 and those with service in the Vietnam theater $5,625. This represents all taxable family income. They also found that on average disabled veterans were unemployed for 52 weeks and Vietnam veterans 50 weeks. On the average 28% of the veterans surveyed had received unemployment insurance benefits over the past year while 72% had received none.

* Sixteen percent of the disabled veterans have used VA Vocational Rehabilitation.

* Seventy-three percent want the opportunity to upgrade their primary occupational skills.

Mr. Chairman, although there are no comparable data available for veterans of the Korean Conflict, based upon information available, we can conclude that disabled veterans as a whole and Vietnam veterans in particular, have not benefited significantly from the economic recovery as the Administration would have us believe. In our view, there is sufficient justification to continue the Emergency Veterans' Job Training Act. We are hopeful that the Subcommittee as well as the full Committee will act reasonably quickly to pass this needed extension.

* * *

Mr. Chairman, Section 3 of H. R. 1408 amends the authority for the Veterans' Readjustment Appointments contained in Section

2014 (b)(1), Title 38, U. S. Code by elevating the current maximum grade level from GS-9 to GS-11 and deleting the education restrictions currently placed on non-disabled Vietnam era veterans.

Mr. Chairman, the DAV cannot support the provision contained in Section 3 of the bill. We register our opposition, Mr. Chairman, as we believe that any further liberalization of this appointing authority will put those individuals in direct competition with certain service-connected disabled veterans who are eligible for a noncompetitive appointment without grade restriction. I refer to provisions in current law found in Section 3112 of Title 5, U. S. Code. Currently, service-connected disabled veterans enjoy a little extra edge in the VRA because they are not restricted by the education limits.

Mr. Chairman, as we know, there currently exists a major difference in eligibility criteria between the non-disabled and disabled Vietnam era veterans:

1. Non-disabled Vietnam era veterans are eligible only if they have less than fourteen years formal education.

2. A veteran of the Vietnam era who is entitled to disability compensation is eligible for VRA "...without

regard to the number of years of education completed by such veteran." We believe that distinction needs to be retained.

Currently, Mr. Chairman, all VRA appointments are restricted to a maximum GS-9 level. In reviewing a grade level in the context of "readjustment" we must point out that the present starting salary for GS-9 is $21,804.00 while the starting salary for GS-11 is $26,381.00 per annum. We believe that allowing for a noncompetitive appointment for Vietnam era veterans under the guise of "readjustment" should not include a starting salary in excess of $26,000.00 per annum. While we think there exists general support to assist disabled and Vietnam veterans, we do not believe that the American public perceives readjustment benefits as fashioned in Section 3 of H. R. 1408. Moreover, the DAV cannot lend its support to a measure that has the potential to erode needed employment placement authority for service-connected disabled veterans.

Mr. Chairman, that concludes my statement and I will be happy to answer any questions you may have.

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION

and

JAMES G. BOURIE, DIRECTOR
NATIONAL ECONOMICS COMMISSION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

on

EXTENSION OF THE EMERGENCY VETERANS JOB TRAINING ACT OF 1983,
AND MODIFICATION OF THE VETERANS READJUSTMENT APPOINTMENTS

MARCH 19, 1985

Statement of

James G. Bourie
Director for Economics
The American Legion

before the

Subcommittee on Education, Training and Employment
Committee on Veterans Affairs
U.S. House of Representatives

on

Extension of the Emergency Veterans Job Training Act of 1983, and Modification of the Veterans Readjustment Appointments

March 19, 1985

Mr. Chairman, The American Legion appreciates this opportunity to express its views on HR 1408 to amend the Emergency Veterans Job Training Act (EVJTA) of 1983 (PL 98-77) and title 38, USC, dealing with the Veterans Readjustment Appointments program. Pertinent resolutions adopted by The American Legion are attached, with the request that they be made part of the record.

First, we wish to give our unqualified support of the EVJTA. We wish also to compliment the leadership of this subcommittee, indeed the full committee, in spearheading the passage of the EVJTA. We are also impressed with the way in which the VA and Department of Labor (DOL) are jointly administering the program with little or no administrative funds or extra staff.

The idea behind the EVJTA is to address the problem of severe and continuing unemployment among certain groups of veterans by providing payments to defray the cost of training to employers to

hire and train veterans who have been unemployed for long periods of time. Since the program's inception, nearly 300,000 eligible veterans have been certified; with 25,420 eligible veterans placed; and over 42,000 employers have been approved for participation.

Mr. Chairman, we believe the Emergency Veterans Job Training Act is worthy of continuation. From the beginning, The American Legion supported the passage of the program and continues now to assist the Department of Labor, its office of the Assistant Secretary for Veterans Employment and Training, and the VA in promoting the program through our nationwide network of posts, departments, and internal media sources.

We have talked with participating employers and veterans, Disabled Veterans Outreach Program staff, local veterans employment representatives, Job Service officials and others over the good and bad points of the program. First, all support the program; not one advocated program termination. Second, all agreed that it should be extended, with the 15/20 weeks unemployment criteria significantly reduced. By lowering the length of unemployment to five weeks, we feel that: one, there will not be a sudden burgeoning of veteran applicants; two, veterans will be easier to place; three, veteran applicants, in all likelihood, will have better job market skills; and four, transitional time between jobs will be kept to a minimum.

We note that HR 1408 proposes an extension to December 31, 1985, for veteran applicants, and to July 1, 1986 for employer certifications, while HR 1122, introduced by former chairman Leath,

proposes also a cutback of eligibility to five weeks, but extends the program for two years beyond 1985. We thus must view HR 1408 as a stopgap measure, one that will ensure the program's immediate life, while HR 1122 addresses its longterm future. Should the EVJTP "cool down," under the circumstances it would be difficult, indeed nearly impossible, to restart it given the variety of agencies, programs, and organizations involved. Once the momentum is lost, it can never be recaptured

Having been involved with EVJTP from the very start, we wish to make the following additional observations and recommendations.

There exists no specific participation data on the program. We don't know the era, sex, age, degree of disability, length of unemployment, etc. of the participating veterans. We hear conflicting stories from both the VA and DOL regarding information gathering, yet we still only have "raw" figures. We should also recommend a provision allowing a "cost sharing" for those employers who make reasonable accommodations for the hiring of disabled veterans, be it curb cuts, water fountains - whatever. In a recent survey, reasonable accommodations cost less than $200, and in many cases just $50. This added incentive, we believe, may boost the hiring of disabled veterans. Further, in order that the EVJTP continue, administrative funds need to be provided to allow the DOL and VA the necessary staff and resources to properly promote the program on a continuous basis.

One final recommendation, Mr. Chairman, deals with the program itself. Veteran unemployment is cyclical in nature. Over time it hits highs and lows without much coorrelation to national averages. And, using recent Bureau of Labor Statistics data, veterans seem to be in a low swing right now, with veteran unemployment rates lower than the national and nonveteran rates. Yet, there remains a constant "core" of unemployed veterans of about 350,000 plus. We don't know if they are the so-called "hard core," or just what. In any event, veterans unemployment rates will once again begin to climb. Therefore, some thought might be given to continuing the program, beyond its extension time, in the form of a "triggering" mechanism tied to veteran unemployment rates. Should the rate rise to a pre-determined rate, the program will come to life.

Mr. Chairman, good veterans employment/training programs are indeed scarce. The Job Training Partnership Act at Title IV-C, Veterans Programs, is quite inadequate in terms of funds and needs to be significantly increased. The best that can be done with $9 million, or less, is veteran outreach and referral - no train-and and no placement. The Targeted Jobs Tax Credit is a good program, but limited to Vietnam era vererans. Although extended last year for one year, HR 983 proposes to extend it for five years. The American Legion supports this extension and further recommends that veterans of all ages be eligible.

In summary, The American Legion is in full support of the extension of the Emergency Veterans Job Training Program and the reduction of the eligibility to five weeks of unemployment.

HR 1408 also proposes to amend the Veterans Readjustment Appointments program by increasing the GS level from nine to GS-11, We see no problem with this, and thus support it. During hearings regarding the last extension of the VRA program, on September 29, 1983, we recommended a GS level of 11 for the same reasons: the VRA would become more attractive to veterans; provide greater career opportunities; attract a better educated veteran to federal service, and provide the hiring agency with a higher caliber VRA candidate. We see no conflict with veterans preference, as that preference is generally favorable to lower GS levels. Moreover, there will not be a significant "run" on the VRA program should the GS level be raised.

VRA hiring figures over the past few years have stabilized at about five percent, and we have nothing to indicate that such an amendment would dramatically alter that. Finally, we also advocate the termination of the 14 year educational restriction. Eliminating the eduational criteria, while increasing the GS level to 11, will undoubtedly attract a better qualified VRA candidate.

Mr. Chairman, that concludes our statement.

SIXTY-SIXTH ANNUAL NATIONAL CONVENTION, SALT LAKE CITY, UTAH

SEPTEMBER 3, 4, 5, 1984

RESOLUTION NO: 256

COMMISSION : Economics

SUBJECT : PROMOTION AND USE BY FEDERAL AGENCIES OF THE VETERANS READJUSTMENT APPOINTMENTS (VRA) AUTHORITY

WHEREAS, The Veterans Readjustment Appointment (VRA) is a special hiring program in the federal government for veterans of the Vietnam era, established by Executive Order in 1970 and subsequently codified by PL 95-420 (5 USC 2014 (b)(3); and

WHEREAS, Through the use of this authority over 180,000 Vietnam era veterans have been hired by the federal government, with nearly 85 percent being converted to career appointment; and

WHEREAS, Since use of this authority is not mandatory, but discretionary with federal agencies, agencies have uneven hiring records, not being fully aware of the program and/or are resistant to its use; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Salt Lake City, Utah, September 3,4,5, 1984, that the U.S. Office of Personnel Management be urged to fully support and promote the use of the special hiring program for Vietnem era veterans, the Veterans Readjustment Appointments (VRA) by all federal agencies.

SIXTY-SIXTH ANNUAL NATIONAL CONVENTION, SALT LAKE CITY, UTAH

SEPTEMBER 3, 4, 5, 1984

RESOLUTION NO: 279

COMMISSION : Economics

SUBJECT : EXTENSION AND ADMUSTMENT OF THE EMERGENCY VETERANS JOB TRAINING PROGRAM

WHEREAS, Congress enacted the Emergency Veterans Job Training Program (PL 98-77) to address the disproportionate unemployment and underemployment rate of Korean, Vietnam era and disabled veterans; and

WHEREAS, This two (2) year job program will expire in 1985, with tens of thousands of eligible veterans already certified for the program, but with many unplaced; and

WHEREAS, Under current legislation and regulations the program does not provide sufficient opportunity for maximum participation by eligible veterans; and

WHEREAS, Should the Emergency Veterans Job Training Program expire as scheduled, thousands more eligible veterans would be denied an opportunity to gain economic independence through no fault of their own; now therefore be it

RESOLVED, By The American Legion in National Conviction assembled in Salt Lake City, Utah, September 3, 4, 5, 1984, that The American Legion seek to extend the Emergency Veterans Job Training Program (PL98-77) at least two (2) years beyond its scheduled termination date; and be it further

RESOLVED, That The American Legion seek legislation to amend the Act to provide the greatest amount of participation by eligible veterans.

SIXTY-SIXTH ANNUAL NATIONAL CONVENTION, SALT LAKE CITY, UTAH

SEPTEMBER 3, 4, 5, 1984

RESOLUTION NO: 432

COMMISSION : Economics

SUBJECT : VETERANS EMPLOYMENT TRAINING PROGRAMS FOR ALL VETERANS

WHEREAS, Veterans of all eras are experiencing unemployment and underemployment problems of significiant proportions nationwide; and

WHEREAS, Congress, in enacting the Job Training Partnership Act, at Title IV-C provides for a National Veterans Program; and

WHEREAS, Older generations of veterans are also in need of employment/training programs that address their economic needs and reflect their years of economic contributions and talents; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Salt Lake City, Utah, September 3,4,5, 1984, that The American Legion urge Congress to provide for veterans of all eras who are in need of employment/training assistance in all proposed federally funded training programs.

NATIONAL EXECUTIVE COMMITTEE
OF THE AMERICAN LEGION
INDIANAPOLIS, INDIANA

OCTOBER 10-11, 1984

NO.: 26

COMMITTEE: ECONOMICS

SUBJECT: OLDER VETERANS EMPLOYMENT TAX INCENTIVE PROGRAM

WHEREAS, Many older veterans are facing unemployment due to changing market conditions, reductions-in-force, lay-offs, plant closings/automation, and forced retirement; and

WHEREAS, These displaced older veterans are experienced and have established dependable work habits and are better able to do their jobs with skills gained from years of experience; and

WHEREAS, Older veterans are an invaluable resource to this nation's workforce; and

WHEREAS, An employment and training program must be implemented where older veterans would assist the employer and the employer's employees develop more efficient production and work skills wherein the employer would receive tax incentives for hiring displaced older veterans; now therefore be it

RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on October 10-11, 1984, that The American Legion urge Congress to establish an economic program that would provide tax and other incentives to those employers who hire dislocated older veterans.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

STATEMENT OF

JAMES N. MAGILL, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
U. S. HOUSE OF REPRESENTATIVES

WITH RESPECT TO

H. R. 1408, A BILL TO EXTEND AND IMPROVE
THE EMERGENCY VETERANS JOB TRAINING ACT

WASHINGTON, D.C. MARCH 19, 1985

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the privilege of appearing before this distinguished Subcommittee to present the views of the Veterans of Foreign Wars of the United States with respect to legislation providing for the extension and improvement of the Emergency Veterans Job Training Act (EVJTA). I would like at this time to congratulate you, Mr. Daschle, on your being elected Chairman of this important Subcommittee. We look forward to working with you in providing veterans with every opportunity for full and meanful employment.

As is a matter of record, Mr. Chairman, the President signed into law H. R. 2355, as amended, the "Emergency Veterans' Job Training Act of 1983," on August 15, 1983, at our 84th National Convention in New Orleans, Louisiana. Funding for this Law, P.L. 98-77, was to have been in the amount of $150 million in fiscal year 1984 and an additional $150 million in fiscal year 1985 to assist Vietnam Era and Korean veterans who have been unemployed 15 out of the 20 weeks

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immediately preceding the date of a veteran's application for participation in this program.

Mr. Chairman, initial funding for this program, $75 million, was contained in the "Continuing Appropriation, 1984," approved November 14, 1983, as P.L. 98-151. The additional $75 million for fiscal year 1984 was provided in the "Supplemental Appropriation, 1984," P.L. 98-181, approved November 30, 1983. However, $20 million from the initial appropriation was immediately transferred to readjustment benefits for educational assistance leaving $130 million for jcb training. Funding for fiscal year 1985 was neither requested by the Administration, nor provided in the fiscal year 1985 HUD-Independent Agencies Appropriation, P.L. 98-371.

Mr. Chairman, the VFW fully supports the extension of the Emergency Veterans Job Training Act. We believe EVJTA is a highly successful program that has provided a solid incentive to employers to hire and train veterans. As of February 25, 1985, 349,792 veterans have applied to participate in the EVJTA. Of this number, 67,780 were reapplications or renewals. However, like any program, it must be reviewed and adjusted in order for it to successfully fulfill its intended purpose. According to the Director of the Illinois Department of Employment Securities, "A continuing analysis of the Emergency Veterans Job Training Program indicates that there are factors beyond our control that seem to be affecting participation in the program. Heavy and machine tool industries are primarily concerned with reemploying their laid off employees and smaller companies are experiencing declines in sales orders. Competition from other programs for eligible veterans, fear of encountering government red tape and difficulty in locating veterans who can meet the program criteria of being unemployed 15

of the last 20 weeks all affect participation."

Mr. Chairman, the President's Committee on Employment of the Handicapped has conducted numerous community forums throughout the nation. As was stated in a community forum in Seattle, Washington - "The Emergency Veterans' Job Training Act is a terrific program. It got off to a very slow start and that hurt us. What we really need now is support staff to help implement it. We need job developers to get out to employers to help make the contacts. We have 30 to 40 certified applicants for every job we find."

Also from the Seattle Forum, - "As an employer, may I compliment the federal government on passing the Emergency Veterans' Job Training Act. It's working very well. I get my questions answered quickly and the reimbursements arrive on time. I would, however, suggest that the requirement veterans need to have been unemployed 15 to 20 of the preceding weeks be modified, especially for the newly discharged veterans or disabled veteran." And, from the Community Forum in Portland, Oregon - "This is the best program in years. True, more needs to be done to publicize the program, but it's great. We would suggest, however, that the requirement that a veteran must be out of work for the last 15 to 20 weeks is bad. Veterans with families can't wait that long to qualify for this program, so they take any kind of job. They are underemployed and will likely remain that way for some time. If this requirement were eliminated, we could serve this segment of the veteran's population with EVJTA."

Mr. Chairman, the VFW supports the provisions of H. R. 1408, introduced by you along with the leadership of this committee as well as several of its members. We believe the program should be extended for the reasons previously stated in this

testimony. Although our current resolution calls for its elimination, we certainly do not oppose reducing the eligibility requirement that a veteran be employed 15 out of the 20 preceding weeks to 5 out of the 20 preceding weeks. However, we believe a supplemental $100 million may be necessary to support the much needed liberalization of the program.

The provision to increase the Veterans Readjustment Appointments from GS-9 to GS-11 is a valuable improvement; we support it along with the elimination of the fourteen year educational requirement. To qualify for a GS-11 position, most often one must have a college degree.

Mr. Chairman, this program has tremendous potential and should be pursued with the utmost vigor by all concerned. The VFW, in concert with other service organizations, has repeatedly stressed the necessity of increased publicity, the streamlining of administrative procedures, and a joint concentrated effort to educate veterans, employers and employment representatives with the program and its benefits.

This concludes my testimony. Appended to my statement is a copy of our current resoultion No. 693 which, in part, would be fulfilled by H. R. 1408. I will be happy to respond to any questions you may have.

Resolution No. 693

EXTEND PL-98-77 & ELIMINATE 15 WEEKS STARTING DATE

WHEREAS, the Congress of the United States has from time to time enacted legislation to aid and assist veterans in obtaining training or employment; and

WHEREAS, Congress enacted Public Law 98-77 to provide job opportunities to unemployed Korean and Vietnam veterans; and

WHEREAS, the State Job Services and Veterans Employment and Training Service have implemented effective programs at the state and local level to seek out veterans and employers, including those living in rural areas, that are interested in participating in Public Law 98-77; and

WHEREAS, many veterans are not eligible as they have not been unemployed for 15 of the last 20 weeks; now, therefore

BE IT RESOLVED, by the 85th National Convention of the Veterans of Foreign Wars of the United States, that we request the Congress of the United States to: (1) extend Public Law 98-77 to December 31, 1987; (2) eliminate the 15 of the last 20 weeks unemployment provision; (3) eliminate the provision requiring veterans must apply for benefits before September 30, 1984, or within one year after the funding of Public Law 98-77; (4) eliminate the provision that requires veterans to be enrolled in training within 15 months after the original funding of Public Law 98-77; (5) the Administrator of the Veterans Administration be encouraged to delegate authority to the State Job Services and/or the Local Veterans Employment and Training Services to recertify participants under PL 98-77; and (6) that initial certification be extended for a period of 90 days.

Adopted by the 85th National Convention of the Veterans of Foreign Wars of the United States held in Chicago, Illinois, August 17-24, 1984.

Resolution No. 693

STATEMENT OF
ARNO B. ZIMMER
DIRECTOR, GOVERNMENT PROGRAMS
MANAGEMENT INSIGHTS, INC.

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING & EMPLOYMENT
COMMITTEE ON VETERAN AFFAIRS

March 19, 1985

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to speak today regarding the bill before the Subcommittee to extend the Emergency Veterans Job Training Act (EVJTA).

Mr. Chairman, as Director, Government Programs for Management Insights, Inc. (MII), headquartered in Dallas, Texas, I address you from the perspective of dozens of private sector employers.

MII represents over 200 diversified corporations, many in the ranks of the Fortune 500, in the retailing, hospitality, computer, aerospace, trucking and manufacturing industries. My primary function is to insure that our client companies achieve maximum participation in training programs such as the one promoted under EVJTA.

Mr. Chairman, since 1969 I have watched training programs come and go. Since the days of the Manpower Development and Training Act (MDTA), there has been a series of programs packaged and "re-packaged" to attract the attention of the private-sector, offering incentives to hire and train individuals in targeted groups.

I recall one program in particular, Mr. Chairman, which went by the name of HIRE I and which, although not exclusively directed to veterans, had a very strong veteran preference provision.

I remember that HIRE I received a one-year extension, a reprieve if you will, because a group of businessmen went to the Secretary of Labor and stated that HIRE I was starting to "catch fire" but it simply needed more time. And I recall a year later that many more frustrated businesses showed an interest in participating in HIRE I as it was expiring.

I especially remember HIRE I, in the context of this Subcommittee hearing, because a number of corporate executives told me that it was a great program for veteran hiring and training -- but that they heard about it too late or didn't have time to implement the program properly.

Mr. Chairman, the U.S. Department of Labor and many other agencies and organizations do an excellent job of promoting EVJTA. The fact of the matter is, however, that it takes a great deal of time for the message about a new government initiative to filter down to the decisionmakers in the private sector. At that point, possible participation in a veteran training program must pass through management, legal and personnel channels. With any new program, skepticism initially prevails. And, of course, a veteran preference program competes with other target hiring programs.

Mr. Chairman, in my extensive travels throughout the United States, to meet with corporate executives, I see a ground swell of support for EVJTA. I have met very few businessmen who don't agree that making a special effort to hire and train Vietnam-era and Korean Conflict veterans is a

sound idea. This legislation, in my judgment, fills a void left by the Job Training Partnership Act (JTPA), with its focus on other targeted groups. In effect, it is a very strong inducement to focus on the specific veteran population which needs employment assistance.

An extension of EVJTA would send the right signal to the private sector. It would tell the corporate community that a program that works and that receives genuine support, whether it be HIRE I or EVJTA, will be given the opportunity to succeed. This same kind of message was sent out through various extensions of the Targeted Jobs Tax Credit (TJTC) which, as you know, includes provisions for hiring economically disadvantaged Vietnam-era veterans. Incidentally, TJTC went through the very same evolutionary process now confronting EVJTA.

Section 2 of the Subcommittee's bill, Mr. Chairman, is another sign of responsiveness to both the private sector and the realities of the labor market. With the perception that the eligible population for EVJTA is dwindling and that a certain percentage of the remaining eligible population is for all practical purposes either unemployable or unwilling to accept available employment opportunities, reducing the required unemployment period from fifteen (15) to five (5) weeks will be a tremendous boon to EVJTA. It will also help galvanize support for EVJTA in the private sector; more importantly, it will unquestionably create thousands of jobs for veterans.

EVJTA is not a panacea for the unemployment problems of Vietnam-era and Korean Conflict veterans, but it does have a catalytic affect. Through this program, I have seen employers set aside more jobs for veteran, re-establish or improve working relationships with the veteran representatives stationed in local job service offices and, generally, reach out to the veteran community at large. The long-term, salutory effects of EVJTA will be a direct result of the stimulation provided by an extension of this legislation.

Mr. Chairman, thank you again for this opportunity to address the Subcommittee. My statement is concluded and I would be happy to answer any questions.

United States
Office of
Personnel Management
Washington, D.C. 20415

In Reply Refer To: Your Reference:

Honorable Thomas A. Daschle
Chairman, Subcommittee on Education,
Training and Employment
Committee on Veterans Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515

NOV - 1 1985

Dear Mr. Chairman:

Thank you for the opportunity to comment further on the provisions of section 3 of H.R. 1408, "Veterans' Employment Amendments of 1985."

I have answered your specific questions in the enclosure because your questions require a detailed response.

I want to reiterate the OPM position that a grade 11 maximum entrance grade level is not appropriate for the VRA Program. The spirit of the VRA Program and subsequent legislation requires entrance at a trainee level so training and developmental opportunities can be provided with the goal of encouraging long term employment. A maximum entrance level of GS-9, is consistent with the intent of the law. OPM continues to support the lifting of the 14 year education restriction. This artificial limit discourages the improvement of skills and acts as a disincentive to agencies to hire Vietnam veterans.

I appreciate the opportunity to work with you and your colleagues.

Sincerely,

Terry W. Culler
Associate Director
for Workforce Effectiveness
and Development

Enclosure

CHAIRMAN DASCHLE TO OFFICE OF PERSONNEL MANAGEMENT

Question 1. If the law were amended to allow appointments at the GS–11 level, would there be a significant number of appointments at that grade?

Answer. The important point remains that, no matter how many appointments are made, GS–11 position are not entry-level, trainee positions. Allowing appointments at that level will encourage misuse of the VRA Program by shifting its focus away from those veterans most in need, i.e., those with lesser skill levels. It is important to note that the entrance grade for a person with a Masters degree with no additional experience is GS–9.

It is impossible to predict the number of appointments which would be made at the GS–11 level. We know that new hires at that level have represented approximately 3 percent of all white collar Federal appointments in recent years. Given hiring positions, it is unlikely that raising the maximum VRA appointment level to GS–11 would change that pattern very much. The major concern is what it will do to the VRA Program; and we beleive, it will damage the Program by allowing the focus to shift away from those who need it most.

Question 2. Have you had any definite feedback that the 14-year education limitation is a real deterrent to the VRA Program?

Answer. Yes. We have talked with agency headquarters and field personnel and officials of various veteran's organizations and they have convinced us that, in recent years, many Vietnam era veterans returned to school and are not, therefore, eligible to participate in the Program. The prime purpose of the VRA Program is to provide long term employment opportunities for Vietnam veterans. The 14-year education restriction (2 years beyond high school) now serves to punish those who sought to improve themselves and their future through education.

Question 3. You said in your statement that GS–11 is the journeyman level in "most instances." In what instance is it not?

Answer. Journeyman levels vary depending upon occupation and the level of work and authority delegated to positions in any occupation. The vast majority of Federal Government executive branch positions are located outside of Washington, D.C., in field installations and organizations which generally are more limited in authority and responsibility. GS–11 is the common journeyman level outside Washington, D.C.

Positions in the field at GS–12 and above are most often supervisory positions. In some cases, GS–11 positions) professional, administrative, and technical) are also supervisory positions.

Question 4. Will allowing a GS–11 entry level result in any extra cost or disadvantages to the Government?

Answer. OPM does not maintain a system which captures the initial cost of hiring at various grade levels, nor are we aware of any Federal agency which does. In our judgment, however, some additional costs would result in hiring at the GS–11 or equivalent level as opposed to hiring at the GS–9 and equivalent level. In each agency, additional costs would be incurred in reviewing and verifying higher educational levels and broader work experience backgrounds. Additional costs would occur because the entrance salary for GS–11, which is $26,381, represents an additional cost of $4,577 for each person hired at GS–11 as compared to GS–9. Federal contributions for life insurance and retirement benefits, of course, increase as grade level increases. The other major disadvantage to the Government would be the distortion of both the VRA Program and normal hiring patterns.

Question 5. VA has hired some 83,000 of the 250,000 veterans employed under the VRA program. Would you compare that level with other agencies, including OPM?

Question 7. Would you please provide for the record the number of appointments made under the VRA Program by agency. Please also tell us the 4 or 5 leading agencies in terms of participation in the program.

Answer. Because of the similarity of these two questions, the responses are combined. Immediately retrievable data on individual agency performance can be obtained only for fiscal years 1980 through 1984. Data for FY 1984 do not reflect final totals. They are preliminary only. The answer to questions 5 and 7 are contained in the following summary of VRA accessions by major users and OPM. More complete data are contained in the attachments.

SUMMARY VRA ACCESSIONS BY MAJOR USERS AND OPM [1]

	Fiscal year—				
	1980	1981	1982	1983	1984 [2]
Total, all agencies	21,672	19,975	15,017	15,307	20,704
VA	7,147	6,426	4,662	3,882	5,804
DOD (overall)	11,808	11,768	9,193	10,249	13,331
Air Force	3,086	1,907	1,958	2,135	2,445
Army	4,623	4,899	4,734	5,067	6,120
DLA	699	831	557	304	823
Navy	3,351	4,059	1,890	2,704	3,879
Other DOD	49	72	54	39	64
Interior	172	202	82	137	233
Treasury	307	306	314	291	338
Justice	525	342	350	170	287
GSA	483	140	10	148	276
OPM	25	4	7	5	12

[1] Postal Service does not participate in the VRA Program because its appointing authorities differ from the rest of the Civil Service.
[2] Preliminary data only.

Question 6. Of the appointments made under the VRA Program, do you have statistics as to how many are service-connected veterans?

Answer. Immediately retrievable summary data can be obtained only for fiscal years 1980 through 1984. Data for FY 1984 do not reflect final totals. They are preliminary only.

VRA ACCESSIONS

	Total VRA hires	Number of disabled veterans hired	Disabled veterans hired as a percent of total VRA's
Fiscal year:			
1980	21,672	1,472	7
1981	19,975	1,602	8
1982	15,017	1,821	12
1983	15,307	1,636	11
1984 [1]	20,704	2,049	10
Total 1980–84	92,675	8,580	9

[1] Preliminary data only.

[Attachment]

TOTAL VETERANS READJUSTMENT AUTHORITY APPOINTMENTS BY AGENCY—FISCAL YEAR 1980

	Total new hires	VRA hires	VRA percent of total new hires
Total, all agencies	410,690	21,672	5.3
Agriculture	49,857	240	0.5
Commerce	12,836	167	1.3
Air Force	35,809	3,086	8.6
Army	65,446	4,623	7.1
Defense Logistics Agency	6,812	699	10.3
Navy	43,955	3,351	7.6
Other Defense Offices	6,944	49	.7
Education	606	6	1.0
Energy	3,305	34	1.0
Health and Human Service	28,145	251	.9

TOTAL VETERANS READJUSTMENT AUTHORITY APPOINTMENTS BY AGENCY—FISCAL YEAR 1980—Continued

	Total new hires	VRA hires	VRA percent of total new hires
Housing and Urban Development	2,947	17	.6
Interior	23,344	172	.7
Justice	6,930	525	7.6
Labor	4,362	13	.3
Transportation	4,987	205	4.1
Treasury	24,132	307	1.3
Total, executive departments	320,417	13,745	4.3

TOTAL VETERANS READJUSTMENT APPOINTMENTS BY AGENCY—FISCAL YEAR 1980

Independent agencies	Total new hires	VRA entries	VRA hires agency percent of total
Alaska National Gas Transportation	32	1	3.1
Community Service Administration	161	1	0.6
Consumer Products Safety Commission	53	2	3.8
Environmental Protection Agency	2,460	4	0.2
Equal Employment Opportunity Commission	220	3	1.4
Federal Communications Commission	336	6	1.8
Federal Deposit Insurance Corporation	262	1	0.4
Federal Trade Commission	224	1	0.4
General Services Administration	8,414	483	5.7
Government Printing Office	447	27	6.0
International Boundary and Water Commission	65	8	12.3
National Aeronautics and Space Administration	3,676	184	5.0
National Capitol Planning Commission	8	1	12.5
National Foundation Arts and Humanities	124	1	0.8
Office of Personnel Management	1,606	25	1.6
Securities and Exchange Commission	89	1	1.1
Small Business Administration	1,296	9	0.7
Smithsonian	184	21	11.4
U.S. International Trade Commission	44	1	2.3
Veterans' Administration	70,572	7,147	10.1
Total, Independent Agencies	90,273	7,927	8.8
Total, All Agencies	410,690	21,672	5.3

Source: Central Personnel Data File, VRA Semiannual.

[Attachment 2]

TOTAL AND VETERANS READJUSTMENT AUTHORITY NEW HIRES BY AGENCY DURING FISCAL YEAR 1981

	Total new hires	VRA new hires	
		Number	Percent of total
Total, all agencies[1]	357,502	19,975	5.6
Total, executive departments	(290,329)	(13,291)	(4.6)
Agriculture	32,727	124	0.4
Commerce	13,020	86	.7

TOTAL AND VETERANS READJUSTMENT AUTHORITY NEW HIRES BY AGENCY DURING FISCAL YEAR 1981—Continued

	Total new hires	VRA new hires	
		Number	Percent of total
Defense	(159,413)	(11,768)	(7.4)
Air Force	33,325	1,907	5.7
Army	57,283	4,899	8.6
Defense Logistics Agency	7,254	831	11.5
Navy	55,312	4,059	7.3
Other Defense Activities	6,239	72	1.2
Education	689	11	1.6
Energy	1,717	31	1.8
Health and Human Services	22,305	276	1.2
Housing and Urban Development	1,160	6	.5
Interior	22,621	202	.9
Justice	4,650	342	7.4
Labor	1,355	7	.5
Transportation	4,372	132	3.0
Treasury	26,300	306	1.2
Total, Independent Agencies	(67,173)	(6,684)	(10.0)
Environmental Protection Agency	1,257	4	.3
Equal Employment Opportunity Commission	291	3	1.0
Federal Communications Commission	130	2	1.5
General Services Administration	3,451	140	4.1
Government Printing Office	367	26	7.1
International Boundary and Water Commission	41	9	22.0
International Communications Agency	138	1	.7
Interstate Commerce Commission	47	1	2.1
National Aeronautics and Space Administration	2,707	53	2.0
Office of Personnel Management	651	4	.6
Small Business Administration	725	3	.4
Smithsonian	346	12	3.5
Veterans' Administration	57,022	6,426	11.3

[1] Includes only those agencies which made VRA appointments during the fiscal year.

Source: Semiannual reports on Veterans' readjustment appointments in the Federal Government; Central Personnel Data File; and Office of Personnel Management.

ATTACHMENT 3

TOTAL AND ESTIMATED VETERANS READJUSTMENT AUTHORITY APPOINTMENTS BY AGENCY (FISCAL YEAR 1982)

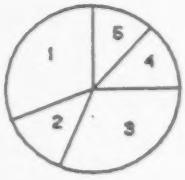
AGENCY	Total New Hires	All VRA Hires 1/ #	All VRA Hires 1/ % of Total	All VRA Hires 1/ Disabled	Minority VRA Hires 3/ #	Minority VRA Hires 3/ % of all VRAs	Minority VRA Hires 3/ Disabled	Women VRA Hires #	Women VRA Hires % of all VRAs	Women VRA Hires Disabled
Total, All Agencies 2/	367,007	15,017	4.1%	1,821	4,820	32.1%	632	1,412	9.4%	67
Agriculture	36,572	73	0.2	2	19	26.0	-	8	11.0	1
Commerce	4,751	42	0.9	0	10	23.8	3	3	7.1	-
Defense	(175,130)	(9,193)	(5.2)	(1,220)	(3,162)	(34.4)	(400)	(989)	(10.8)	(46)
Air Force	40,533	1,958	4.8	292	564	28.8	79	215	11.0	5
Army	72,213	4,734	6.6	750	1,591	33.6	257	541	11.4	32
Defense Logistics Agency	7,261	557	7.7	61	275	49.4	22	45	8.1	5
Navy	48,699	1,890	3.9	112	713	37.7	39	185	9.8	4
Other Defense Activities	6,424	54	0.8	5	19	35.2	3	3	5.6	-
Energy	1,686	35	2.1	-	5	14.3	-	3	8.6	-
Health and Human Services	16,674	69	0.4	9	43	65.2	6	8	11.6	2
Interior	23,841	82	0.3	4	10	12.2	-	3	3.7	-
Justice	8,015	350	4.4	43	111	31.7	9	14	4.0	2
Labor	1,141	5	0.4	-	-	-	-	-	-	-
Transportation	11,363	102	0.9	3	14	13.7	1	11	10.8	-
Treasury	20,335	314	1.5	66	164	53.6	30	27	8.6	5
Total Executive Departments	299,508	10,265	3.4	1,355	3,538	34.5	449	1,066	10.4	66
Equal Emplt. Opportunity Comm.	101	2	2.0	1	-	-	-	1	50.0	1
Federal Deposit. Insurance Corp.	398	2	0.5	-	1	50.0	-	-	-	-
General Services Adm.	2,512	10	0.4	3	2	20.0	-	1	10.0	-
Government Printing Office	39	1	2.6	-	1	100.0	-	-	-	-
Int'l. Boundary & Water Comm.	31	10	32.3	1	5	83.3	1	-	-	-
Nat'l. Aeronautics & Space Adm.	2,833	14	0.5	-	5	35.7	-	3	21.4	-
Nat'l. Credit Union Adm.	47	1	2.1	-	-	-	-	1	100.0	-
Nat'l. Fd. on Arts & Humanities	133	1	0.8	-	-	-	-	-	-	-
Office of Personnel Mgmt.	351	7	2.0	1	1	50.0	-	-	-	-
Small Business Adm.	1,053	1	0.1	-	-	-	-	-	-	-
Smithsonian	304	41	13.5	1	14	34.1	1	-	-	-
Veterans Administration	59,697	4,662	7.8	459	1,253	28.6	81	340	7.8	10
Total, Independent Agencies	67,499	4,752	7.0	466	1,282	28.7	83	346	7.8	11

Sources: U.S. Office of Personnel Management
Monthly Report of Federal Employment (SF 113-A) and
Central Personnel Data File (CPDF)

1/ Includes new hires and conversions into the VRA program. The VRA data were estimated by applying the CPDF proportion of each agency's VRA hires to total hires with the new hire figures reported by each agency on their SF 113-A report.
2/ Includes only those agencies which made VRA appointments during this period.
3/ Employees with unspecified minority group are excluded from the base in calculating percent minority.

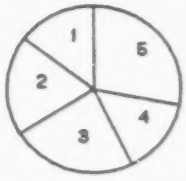
PERCENT DISTRIBUTION OF NEW HIRES BY AGENCY:
FISCAL YEAR 1982

VRA NEW HIRES



1: V.A. HAS 31.04%
2: NAVY HAS 12.59%
3: ARMY HAS 31.52%
4: AIR F HAS 13.04%
5: OTHER HAS 11.81%

VETERAN NEW HIRES



1: V.A. HAS 14.51%
2: NAVY HAS 19.46%
3: ARMY HAS 29.17%
4: AIR F HAS 14.81%
5: OTHER HAS 28.05%

TOTAL NEW HIRES

1: V.A. HAS 16.27%
2: NAVY HAS 13.27%
3: ARMY HAS 19.66%
4: AIR F HAS 11.04%
5: OTHER HAS 39.74%

ATTACHMENT 4

TOTAL AND ESTIMATED VETERANS READJUSTMENT AUTHORITY APPOINTMENTS BY AGENCY (FISCAL YEAR 1983)

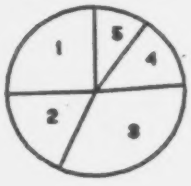
AGENCY	Total New Hires	All VRA Hires 1/ #	All VRA Hires 1/ % of Total	All VRA Hires 1/ Disabled	Minority VRA Hires 3/ #	Minority VRA Hires 3/ % of all VRAs	Minority VRA Hires 3/ Disabled	Women VRA Hires #	Women VRA Hires % of all VRAs	Women VRA Hires Disabled
Total, All Agencies 2/	331,427	15,307	4.6%	1,636	5,372	35.9%	846	1,303	8.5%	72
Agriculture	35,178	108	0.3	6	21	19.6	2	14	13.0	-
Commerce	4,471	18	0.4	5	4	22.2	1	-	-	-
Defense	(163,056)	(10,249)	(6.3)	(1,062)	(3,307)	(32.3)	(345)	(894)	(8.7)	(40)
Air Force	34,487	2,135	6.2	267	633	29.6	77	186	8.7	11
Army	70,071	5,067	7.2	576	1,695	33.5	202	469	9.3	17
Defense Logistics Agency	3,649	304	8.3	24	117	38.5	8	9	3.0	1
Navy	47,638	2,704	5.7	190	847	31.3	57	229	8.5	11
Other Defense Activities	7,211	29	0.5	5	15	38.5	1	1	2.6	-
Energy	1,142	27	2.4	-	6	22.2	-	1	3.7	-
Health and Human Services	18,472	96	0.5	9	61	64.3	3	8	8.4	1
Housing and Urban Devt.	133	1	0.8	-	-	-	-	-	-	-
Interior	17,353	137	0.8	13	17	12.4	-	8	5.8	-
Justice	5,549	170	3.1	10	68	34.1	5	7	4.1	1
Labor	2,161	27	1.2	11	12	46.2	4	2	7.4	1
Transportation	6,296	48	0.8	5	19	39.6	5	4	8.3	-
Treasury	23,741	191	1.2	66	164	86.4	34	20	6.9	2
Total Executive Departments	277,642	11,171	4.0	1,177	3,659	32.8	400	958	8.6	45
Equal Empl. Opportunity Comm.	233	5	2.1	3	1	20.0	1	1	20.0	-
Federal Communications Comm.	187	5	2.7	-	3	60.0	-	-	-	-
Federal Home Loan Bank Board	118	2	1.7	1	2	100.0	1	-	-	-
General Services Adm.	3,670	148	4.0	15	56	37.8	5	5	3.4	-
Government Printing Office	56	9	16.1	2	9	100.0	2	1	11.1	1
Int'l. Boundary & Water Comm.	42	16	38.1	1	9	75.0	-	1	6.3	-
Nat'l. Aeronautics & Space Adm.	2,333	19	0.8	1	9	47.4	1	3	15.8	-
Nat'l. Credit Union Adm.	38	1	2.6	-	-	-	-	-	-	-
Office of Personnel Mgmt.	373	5	1.3	2	1	100.0	-	1	20.0	-
Railroad Retirement Board	184	6	3.2	-	3	60.0	-	-	-	-
Securities & Exchange Comm.	83	1	1.9	1	1	100.0	1	-	-	-
Small Business Adm.	325	1	0.3	-	-	-	-	1	100.0	-
Smithsonian	103	37	35.9	3	34	91.9	2	-	-	-
Veterans Administration	46,200	3,882	8.4	430	1,586	44.5	133	332	8.6	26
Total, Independent Agencies	53,865	4,136	7.7	459	1,714	44.9	146	345	8.3	27

Sources: U.S. Office of Personnel Management
Central Personnel Data File (CPDF)

1/ Includes new hires and conversions into the VRA program.
2/ Includes only those agencies which made VRA appointments during this period.
3/ Employees with unspecified minority group are excluded from the base in calculating percent minority.

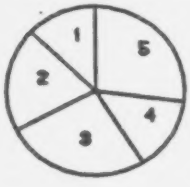
PERCENT DISTRIBUTION OF NEW HIRES BY AGENCY:
FISCAL YEAR 1983

VRA NEW HIRES



1: V.A. HAS 25.38%
2: NAVY HAS 17.67%
3: ARMY HAS 33.18%
4: AIR F HAS 13.85%
5: OTHER HAS 9.92%

VETERAN NEW HIRES



1: V.A. HAS 12.60%
2: NAVY HAS 20.87%
3: ARMY HAS 28.14%
4: AIR F HAS 14.11%
5: OTHER HAS 27.80%

TOTAL NEW HIRES

1: V.A. HAS 13.94%
2: NAVY HAS 14.37%
3: ARMY HAS 21.14%
4: AIR F HAS 18.41%
5: OTHER HAS 48.14%

48-011 O—85——5

ATTACHMENT 5

PRELIMINARY TOTAL AND VETERANS READJUSTMENT AUTHORITY APPOINTMENTS BY AGENCY (FISCAL YEAR 1984)

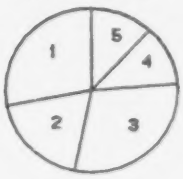
AGENCY	Total New Hires	All VRA Hires 1/ #	All VRA Hires 1/ % of Total	All VRA Hires 1/ Disabled	Minority VRA Hires 2/ #	Minority VRA Hires 2/ % of all VRAs	Minority VRA Hires 2/ Disabled	Women VRA Hires #	Women VRA Hires % of all VRAs	Women VRA Hires Disabled
Total, All Agencies	396,704	20,704	5.2	2,049	7,199	36.2	695	1,628	7.9	100
Agriculture	34,434	116	0.3	7	16	13.8	1	12	10.3	-
Commerce	5,633	27	0.5	4	5	18.5	1	3	11.1	-
Defense	(185,397)	(13,331)	(7.2)	(1,278)	(4,210)	(31.6)	(428)	(1,048)	(7.9)	(46)
Air Force	41,420	2,445	5.9	279	738	30.2	88	248	10.1	15
Army	80,458	6,120	7.6	678	1,806	29.5	214	492	8.0	20
Navy	46,457	3,879	8.3	242	1,297	33.4	89	262	6.8	9
Defense Logistics Agency	8,254	823	10.0	74	348	42.3	34	41	5.0	1
Other Defense Activities	8,808	64	0.7	5	21	32.8	3	5	7.8	1
Education	796	-	-	-	-	-	-	-	-	-
Energy	1,734	34	2.0	1	4	8.8	-	3	8.8	-
Health and Human Services	19,104	57	0.3	6	26	45.6	3	9	15.8	1
Housing and Urban Devt.	1,193	9	0.8	-	5	55.6	-	-	-	-
Interior	24,024	233	1.0	14	50	22.2	3	10	4.3	-
Justice	7,402	287	3.9	27	133	46.3	11	16	5.6	3
Labor	1,946	10	0.5	7	4	40.0	3	-	-	-
Transportation	6,409	96	1.5	8	42	41.7	2	7	7.3	-
Treasury	29,447	338	1.1	41	180	53.7	25	25	7.4	-
State	866	-	-	-	-	-	-	-	-	-
Total Executive Departments	318,385	14,538	4.6	1,393	4,675	32.2	477	1,133	7.8	50
Environmental Protection Agy.	1,932	1	0.1	-	-	-	-	-	-	-
Equal Empl. Opportunity Comm.	290	3	1.0	-	-	-	-	-	-	-
Federal Communications Comm.	214	10	4.7	1	-	-	-	-	-	-
Federal Deposit Insurance Corp.	1,776	2	0.1	-	2	100.0	-	-	-	-
Federal Emergy. Mgmt. Agy.	1,264	2	0.2	-	1	50.0	-	1	50.0	-
General Services Adm.	3,624	276	7.6	22	66	23.9	2	12	4.3	-
Government Printing Office	173	18	10.4	-	12	66.4	-	2	11.1	-
Int'l. Boundary & Water Comm.	28	4	14.3	1	1	33.3	-	-	-	-
Nat'l. Aeronautics & Space Adm.	2,053	17	0.8	2	8	47.1	2	4	23.5	-
Nat'l. Credit Union Adm.	67	1	1.5	-	-	-	-	-	-	-
Nat'l. Mediation Bd.	2	1	50.0	-	1	-	-	-	-	-
Office of Personnel Mgmt.	974	12	1.2	6	2	18.2	2	2	16.7	1
Railroad Retirement Board	252	6	2.4	-	1	-	-	-	-	-
Small Business Adm.	1,180	8	0.7	2	1	12.5	-	-	-	-
U.S. Tax Court	87	1	1.1	-	-	-	-	-	-	-
Veterans Administration	55,401	5,804	10.3	622	2,429	48.6	212	474	8.2	49
All Other Agencies	8,002	-	-	-	-	-	-	-	-	-
Total, Independent Agencies	78,319	6,166	7.9	656	2,524	47.3	218	495	8.1	50

Sources: U.S. Office of Personnel Management
Central Personnel Data File (CPDF)

1/ Includes new hires and conversions into the VRA program.
2/ Employees with unspecified minority group are excluded from the base in calculating percent minority.

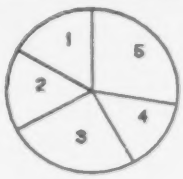
PERCENT DISTRIBUTION OF NEW HIRES BY AGENCY:
FISCAL YEAR 1984 (PRELIMINARY)

VRA NEW HIRES



1: V.A. HAS 28.83%
2: NAVY HAS 18.74%
3: ARMY HAS 29.56%
4: AIR F HAS 11.81%
5: OTHER HAS 11.86%

VETERAN NEW HIRES



1: V.A. HAS 16.55%
2: NAVY HAS 18.41%
3: ARMY HAS 25.88%
4: AIR F HAS 14.38%
5: OTHER HAS 27.66%

TOTAL NEW HIRES

1: V.A. HAS 14.22%
2: NAVY HAS 11.71%
3: ARMY HAS 20.28%
4: AIR F HAS 10.44%
5: OTHER HAS 43.35%

Office of General Counsel Washington D.C. 20420

Veterans Administration

APR 2 1985

In Reply Refer To: 021:FJB

Honorable Thomas A. Daschle
Chairman, Subcommittee on Education,
Training and Employment
Committee on Veterans' Affairs
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

I am pleased to provide the enclosed answers to 11 questions you submitted to Mr. C. L. Dollarhide in a letter dated March 20, 1985, relating to the March 19, 1985, hearing before your Subcommittee on H.R. 1408, 99th Congress.

Sincerely yours,

DONALD L. IVERS
General Counsel

Enclosures

CHAIRMAN DASCHLE TO VETERANS' ADMINISTRATION

Question 1. You state in your testimony that the employment emergency faced by Vietnam veterans when Public Law 98-77 was enacted is over. Aren't the 416,000 unemployed Vietnam veterans each confronting a personal unemployment emergency?

Answer. The VA witness, Mr. C.L. Dollarhide, in his prepared statement said, "The EVJTA was enacted to deal with an unemployment problem among veterans which was much more critical than that which exists today." This assertion was followed by statistics which indicated that from August 1983 (the inception of the program) to December 1984, the unemployment rate for Vietnam-era veterans aged 35 to 39 had, in fact, dropped substantially

The Veterans' Administration does recognize that for each and every unemployed person, the situation is an emergency. Mr. Dollarhide's statement was not intended in any way to deny that tragic reality.

Question 2. In your statement, you estimate that only 5,000 to 6,000 more veterans will be placed by the end of this fiscal year. Based on the average expenditure per slot, I calculate that this will involve the expenditure of approximately $24 million. This means that up to $15 million provided for this program will lapse.

Answer. The statement that "5,000 to 6,000 more veterans will be placed by the end of the fiscal year" was an estimate based on several considerations: current trends for placement of eligible veterans in training programs, the impact of the termination of the period for applications for certificats of eligibility on February 28, 1985, the attrition rate, and the requirement that a verteran's training program must begin prior to September 2, 1985. It is possible the remaining funds will not be used this Fiscal Year; however, an exact projection is not possible at this time.

Question 3. The subcommittee has been told that veterans applying for copies of their DD-224's have had to wait as long as three months before receiving that document. Can you explain why this is happening? What can be done to remedy this situation?

Answer. There is no doubt, the isolated instance of a veteran experiencing an inordinate delay in receiving a copy of his/her DD Form 214 from the NPRC (National Personnel Records Center) in St. Louis, Missouri. However, if the VA has verification of a veteran's military service, we make every attempt to process his/her application for a Certificate of Eligibility without delay. The vast majority of applicants have previously provided us with this information in conjunction with a claim for other benefits the VA administers (e.g., educational assistance allowance, compensation). When we have no verification of service, we attempt to obtain this information from the NPRC. If these efforts fail to deliver documentation necessary to verify service, we advise the veteran of our unsuccessful attempts and again describe acceptable forms of evidence and where they might be obtained. As stated earlier, this is the exceptional situation and not considered the norm.

Question 4. Last year, it was brought to the attention of the Subcommittee that the VA Central Office was requiring a 25 percent compliance survey. It was suggested that the usual 10 percent survey would be adequate and appropriate. What action has been taken on this issue?

Answer. From the inception of the EVJTA program, field stations were required to conduct compliance surveys on a 25 percent sample of the active employers. Copies of those surveys were submitted to VA Central Office for review.

The Central Office reviews revealed some deficiencies in conduct of the initial surveys, but those problems have been corrected by dissemination of more detailed guidence. The reviews also showed that the compliance surveys were finding a relatively low rate of serious problems in the conduct of the program. As a result of this fact, and in response to congressional concerns, the sample of active EVJTA employers to be surveyed was reduced to 10 percent effective December, 1984.

Question 5. What figures do you have for the participation rates of disabled veterans? What efforts have you made to inform disabled veterans about the benefits available to them under this program?

Answer. Our contractor, Centaur Associates, Inc., collected information on participation rates of disabled veterans. The contractor found that approximately 100,000 veterans have received Certificates of Eligibility for participation in EVJTA from November 29, 1983, through April 16, 1984. Of this number, approximately 15,000 veterans (15%) have service-connected disabilities. approximately 3,850 certified eligible veterans have pursued EVJTA training during this time period. Of the total number of trainees, 616 (16%) have service-connected disabilities. We do not have similar data for veterans whose disabilities are not service-connected.

To date, we have over 300,000 veterans who have received initial Certificates of Eligibility under the program (of whom 70,000 have received recertification). Based on this overall number, there are many more service-connected disabled veterans now training under EVJTA than there were through April 16, 1984. Centaur Associates, Inc., should be updating participation figures for disabled veterans in their next report to be issued on June 1, 1985.

Information and outreach for disabled veterans is a part of the outreach program which was discussed by the Chief Benefits Director in testimony presented on April 5, 1984. This effort has included all accredited service organizations, other agencies and organizations and local communities. Printed materials and the resources of radio and television were utilized in this effort. Information issued explained the provisions of law allowing a longer period of training for a veteran who has a service-connected disability of thirty percent or more, or who has a service-connected rating of less than thirty percent but is determined to have a serious employment handicap.

One of the main distribution mechanisms for this information is the two-sided Fact Sheet (copy attached). One side of this Fact Sheet presents information for the veteran, and the other for employers. These efforts have brought the provisions of EVJTA to the attention of disabled veterans.

Question 6. At the inception of this program, it was suggested that your agency contact the over 90,000 employers already approved for Chapter 34–OJT training to alert them to the benefits available to them under EVJTA. Was this carried out? Did you make a specific attempt to contact these employers?

Answer. We extracted from our computer data base the name and address of every employer with an active Chapter 34 OJT program. On January 13, 1984, we had mailing labels printed and sent to each regional office for the express purpose of informing those employers of the benefits available to them under EVJTA.

Question 7. Would it be helpful if the State Approving Agencies, who have experience in approving employers for Chapter 34, OJT training, were given the authority to approve employers under EVJTA?

Answer. We do not believe that involvement of the SAA's (State approving agencies) in the EVJTA employer approval process would be beneficial at this time. A change in the approval authority would result in confusion among employers who have been working with the Employment Service and VA to develop training programs and who have been informed that the VA has the responsibility for approval of the programs. If a transfer of approval authority were enacted, it would likely take a certain amount of time for the SAA's to familiarize themselves with all aspects of EVJTA. Significant delays in the approval of training programs could occur.

Question 8. Under EVJTA, are any special steps being taken to contact disabled veterans and inform them of the benefits available to them under EVJTA? Under EVJTA, how many work places have been modified to accommodate disabled veterans?

Answer. A major responsibility of our professional counseling staff is to help veterans develop sound plans for training and employment. Essential to the planning process is consideration of all benefits and services for which a veteran is eligible. Veterans seen for training and employment assistance have been routinely informed of EVJTA as well as other programs administered by the VA when appropriate.

Additionally, because of our concern that veterans eligible under EVJTA secure training and employment, we have undertaken a special outreach effort. Service-disabled veterans who had been issued certificates of eligibility but were not employed as of January 1, 1985, are being contacted by letter and being provided an opportunity to review their situation with a counseling psychologist in the VR&C (Vocational Rehabilitation & Counseling) Division. Veterans are provided assistance in overcoming any problems encountered and in exploring alternative programs leading to employment.

We do not have any information regarding work site modifications for disabled veterans under EVJTA.

Question 9. Are follow-up studies planned to measure the long-term success of the Emergency Veterans' Job Training Act program?

Answer. Yes, a long-term follow-up study of veterans and employers is being planned to assess to what degree veterans obtained stable and permanent employment. Results of this follow-up study should be available in the latter part of 1986.

Question 10. What happens to the $50 million currently still available in the employment program? This assumes that the program will expire.

Answer. Of the $150 million appropriated for the Jobs Program, $9.5 million was used for payment of education benefits under section 18 of Public Law 98-77. Through March 11, 1985, $100.3 million was obligated, leaving $40.2 million available for the remainder of the program which ends under current legislation on September 30, 1987. If funds are not obligated they will automatically revert to the Treasury.

Question 11. Has the VA been the leading agency in making VRA appointments? Just what is your record as the agency of Government primarily concerned with affairs of veterans?

Answer. The VA has consistently been one of the leaders among large agencies in the Government in making VRA appointments. The VA has made nearly 83,000 Veterans Readjustment Appointments since establishment of the program. According to OPM figures, VA made 27,921 of 92,675 (or more than 30%) VRA appointments during Fiscal Years 1980 through 1984 which exceeded that of any other single agency. The 1984 figures provided by OPM are preliminary data only.

EMPLOYERS and the Job Training Program

You can receive up to $10,000 if you train and hire an eligible Vietnam-era or Korean conflict veteran through the provisions of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77).

The training programs you design should generally be no less than 6 months, except that a program of between 3 and 6 months could be approved under certain circumstances. To qualify, your program must offer training in:

- an occupation in a growth industry; or
- an occupation requiring new technical skills; or
- an occupation for which demand for labor exceeds the supply.

You must certify that you plan to hire the veteran upon the completion of the training. Adequate facilities for training must be available; wages and benefits must be no less than those normally paid, and training cannot be for a position for which the veteran already qualifies.

Your reimbursement will be 50 percent of the starting wage up to a maximum of $10,000 per veteran. Payments will be made at the end of each three-month period of training or can be monthly in the case of employers with fewer than 75 employees.

You may contact the nearest local State Job Service Office or VA Regional Office for details, applications and assistance.

Apply to the Veterans Administration now for approval of a training program under this Act.

Department of Labor / State Job Service
Veterans Administration
"Partners in Training"

GPO : 1983 O - 419-688 : QL 3

VETERANS and the Job Training Program

If you are currently unemployed and are a veteran of either the Vietnam era or the Korean conflict, you may be eligible for job training in programs approved under the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77). Because employers are paid directly for part of the training costs, this law encourages their participation.

ELIGIBILITY: To qualify, you must have been unemployed for at least 15 of the 20 weeks prior to filing an application. The maximum period of training is 9 months for most veterans. If you have a service-connected disability of 30 percent or more, or have lesser rated disabilities but with a serious employment handicap, you can be trained for up to 15 months.

APPLICATION: If you want to enter a training program, you must first get a Certificate of Eligibility from the Veterans Administration. This certificate will be good for a period of 60 days and may be renewed. You may obtain an application from any VA Regional Office or a local office of the State Job Service. To speed processing, you should include proof of military service with the application. You may contact your local Job Service Office for more information or call, toll-free, the VA Regional Office listed in your local telephone directory.

COUNSELING: If you are eligible for this program and need assistance in finding a suitable employment goal or type of training, counseling is available from either the Job Service or the Veterans Administration. This counseling may be requested at the time of application.

Veterans Administration
Department of Labor / State Job Service
"Partners in Training"

VA FORM
OCT 1983 27-8936

APR 1 1985

Honorable Thomas A. Daschle
Chairman
Subcommittee on Education,
Training and Employment
Committee on Veterans' Affairs
U. S. House of Representatives
Washington, D. C. 20515

Dear Chairman Daschle:

This is in response to your March 20 letter with questions on the Emergency Veterans' Job Training Act of 1983 (EVJTA) which Members of the Subcommittee on Education, Training and Employment were not able to ask at the hearing on March 19, 1985. Our answers to these questions are enclosed with this letter. Please let me know if we may provide any further information.

Sincerely,

DONALD E. SHASTEEN
Deputy Assistant Secretary for
Veterans' Employment and Training

Enclosure

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

CHAIRMAN DASCHLE TO DEPARTMENT OF LABOR

Question 1. We all know that unemployment is costly both to the nation and to individuals who are unemployed. According to CBO, every one percent drop in the national unemployment rate results in a savings of $24 billion to the Federal Government.

These figures further indicate that an individual unemployed for one year costs the Government $24,000 for that year. According to information furnished by the Department to the Subcommittee, the average cost of unemployment compensation is $118.80 per week. Based on the average expenditure per slot, the weekly cost for EVJTA is $109 per week.

Do you agree that this program will provide an unemployed veteran job training and at the same time reduce government costs?

Answer. We agree with the Subcommittee that there are costs associated with individual unemployment both to the government and to the individuals and their families who are affected. The best estimates on the government side seem to be those of the CBO and data on the average level of unemployment compensation to which the Subcommittee refers.

We would like to provide a brief analysis of these estimates in relation to EVJTA. First of all, the CBO estimate is broken into two categories: Outlays and Revenues. The CBO estimates a first year savings of $4 billion in outlays, and an additional $20 billion in revenues as a result of a one percent drop in unemployment. In terms of outlays, the savings would be derived primarily from unemployment compensation. As the Subcommittee notes, the average weekly payment under unemployment compensation is $118.80 which can be paid over a period of twenty-six weeks, for a total of $3,089. The veteran eligible for EVJTA may have drawn fifteen weeks of unemployment compensation, or $1,782, prior to being certified. Therefore, a savings of about $1,307 could be realized for each eligible veteran placed at the fifteenth week of unemployment. This potential savings would be about $2,495 if a veteran were eligible and placed after 5 weeks of unemployment. Using these figures, we can project that the net cost per commitment for a veteran placed in a job would be reduced from $4,000 to a range of from $1,500 to $2,700.

On the revenue side, with current unemployment the $20 billion represents the effects of about 1.1 million individuals becoming employed, or revenue of about $18,000 per individual in the first year as projected by the CBO. Adjusting this figure for EVJTA eligibility, an estimated $10,980 in revenue would be realized if a veteran became employed under EVJTA at the fifteenth week of unemployment, or $16,200 at five weeks. Using these potential revenue gains, a net gain to the government of from $6,980 to $12,200 can be realized over the average commitment per EVJTA match.

If the projected savings in unemployment compensation and projected gain in revenues based upon CBO estimates are combined, the government realizes a net gain of from $8,300 to $14,695 per veteran placed under EVJTA, depending upon the eligibility criteria related to unemployment.

We should point out that this projected net gain to the government may be understated in not accounting for the result of any increases in purchasing power, or other costs of unemployment such as loss of property, or crime, mental health and family problems. The estimates may be overstated in that they do not account for any costs related to program administration, any delays from the time of eligibility certification to placement in an EVJTA job, or any displacement effects which occur because a veteran eligible for EVJTA obtains a job as opposed to any other individual.

Question 2. Since this program is clearly cost-effective, and it makes sense to me to extend this program, are you prepared to maintain and in fact improve the record of placements that have been established at this point in the program?

Answer. The mission of the Department of Labor and the Assistant Secretary for Veterans' Employment and Training is to provide maximum assistance to unemployed veterans. Our goal is to constantly improve upon our record. You can be assured that we will continue to do our best with EVJTA and each program for which we have responsibility.

Question 3. Please provide any additional statistics which relate to the actual costs of EVJTA and the cost savings which flow to the Federal Government as a result of putting unemployed veterans back to work.

Answer. At this time we can offer no additional statistics which relate to the actual costs of EVJTA and cost savings which flow to the Federal Government as a

result of putting veterns back to work beyond those discussed in the first question. However, we would like to point out that there are costs under EVJTA which have not shown up in the discussions of costs to date. These are the costs of administration and operations, including promotion, associated with EVJTA which comes out of existing program resources.

Question 4. In your statement, you noted that a national goal to place 30,000 eligible veterans in jobs by March 1, 1985, has almost been achieved.

In 21 states they have met or exceeded their goals for placing veterans in their states under the EVJTA. In Region 8, as a whole, the goal has been exceeded with 115% placement.

Several states in Region 8 have also exceeded their goal with Wyoming 143% placement, Utah 217% placement, and North Dakota with 195% placement, but in other states in that Region, such as South Dakota, placements are far short of their goals. Placements in South Dakota have only been 44% of their goal.

Please explain the wide range of results in Region 8, and have any of the reasons for success in North Dakota, Wyoming and Utah been tried in South Dakota?

Answer. In reviewing the data on EVJTA performance in Region VIII, and discussing the potential variables in South Dakota with our State Director for Veterans' Employment and Training Service, three areas emerge which appear to account for the performance in this state as compared to other states in this region. First, the unemployment rate in this state is among the lowest in the country and has consistently been the lowest in the region. Second, a disproportionately large percentage (52%) of those unemployed in South Dakota reside on, or near, Indian reservations. These individuals are not near the population centers, and jobs, and tend not to want to relocate to obtain a job. Third, the State of South Dakota has not applied for funding under either of the two solicitations under Title IV-C of the Job Training Partnership Act (JTPA). Other states in this region made promotion of EVJTA a part of their JTPA IV-C program.

Question 5. Aren't states' specific unemployment rates considered in establishing placement targets?

What are the factors that contribute to the wide variance in achievements of the established goals?

Answer. In establishing the EVJTA goals, the Department did consider using state unemployment rates as one of the variables. However, after considerable deliberation and advice from other agencies more experienced in such processes; we determined that the total veteran population in a state and estimates of the potential number of matches which could be made within available EVJTA funding were the most reasonable basis for establishing goals. The goal for each state was established based upon its percentage of the U.S. total veteran population (those to be potentially served) as compared to the total number of matches which could be funded based upon experience with the program through April 1984 (when the goals were established).

At this time, we can only speculate as to why some states are doing better than others in placing veterans under EVJTA. We think that a state's priorities, as a whole, play a major role. Answers to many of our questions should be provided when the VA funded evaluation of EVJTA is completed. We want to stress that we have not been waiting for studies or evaluations to give us specific directions. As you are aware, we have taken every measure possible to place veterans in this program. We are continuing these efforts.

Question 6. What will be the impact on placement rates if the program is not extended?

Answer. We believe we will be able to maintain placement momentum near the current rate through the life of the program even with the cut-off in veteran applications on February 28. To ensure that this momentum is maintained, we plan to mount a special placement effort in May to make 3,000 EVJTA matches. Beyond this, we will do everything we can to ensure that the maximum number of eligible veterans have an opportunity to take advantage of the program by September 1.

Question 7. When this program was initiated, it was anticipated that many of the employer participants would be small business employers. Has this been the case? The Subcommittee has heard from some employers that, but for the benefits available to them under this program, they would have been unable to expand their businesses. Have employers indicated the same thing to you?

Answer. The only data currently available on the size of businesses participating in EVJTA is that from the Second Interim Report to Congress prepared by Centaur Associates, Inc. This report showed that over 80% of the employers approved and employers which had hired veterans under EVJTA had fewer than 50 employees. We fully expect this level to be continued. We have no specific information from

small employers that they would not have been able to expand their business without the benefits of EVJTA.

Question 8. Would it be helpful if the State Approving Agencies, who have had experience in approving employers for Chapter 34, on-the-job training, were given the authority to approve employers under EVJTA?

Answer. At this juncture, and because of the temporary nature of the program, the addition of another agency, unfamiliar with EVJTA, would not strengthen the program.

Question 9. Based on the information available from the Job Service offices, in what fields have veteran participants been placed? Manufacturing, service industries?

Answer. The Job Service offices do not report information on EVJTA employers by industrial classification. The only information of this type available is from the Second Interim Report to Congress prepared by Centaur Associates, Inc. We expect that Centaur Associates will provide such information in their June report.

Question 10. Did the volume of veteran applications go up before the termination date?

Answer. The volume of veteran applications did increase before the termination date of February 28. According to VA reports, the average weekly number of veteran applications was over 900 more for the period February 1 through March 11 (the cut-off date for VA processing of veteran applications) than the cumulative weekly average through January. In addition, the average weekly number of reapplications for this period was over 100 more than the cumulative average.

Question 11. What is the average length of time between a veteran receiving certification and that veteran being placed in a job?

Answer. To date, we have no specific information on the average length of time between a veteran receiving certification and that veteran being placed in a job. However, this kind of information may be available from the June report being prepard by Centaur Associates, Inc.

Question 12. What is the geographical distribution of the jobs being obtained? Are those jobs in areas of high local unemployment, or are they where unemployment is already low?

Answer. A review of EVJTA data shows that states in the West and Southwest have higher achievements than other regions in the country in terms of EVJTA matches against goal and in the development of EVJTA jobs. Unemployment among these states can be characterized as being average to slightly above average as compared to that for the rest of the country.

Question 13. What kinds of jobs have veterans been getting as a result of the program?

Answer. Current information on the kinds of jobs veterans have been getting as a result of EVJTA is not available. We expect that Centaur Associates, Inc. will provide this information as a part of their June report as they did in their Second Interim Report to Congress in April of 1984.

CHAIRMAN DASCHLE TO AMERICAN LEGION

The American Legion
For God and Country

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006 ★
(202) 861-2700 ★

March 28, 1985

Honorable Thomas A. Daschle, Chairman
House Veterans Affairs Subcommittee on
Education, Training and Employment
335 Cannon House Office Building
Washington, DC 20515

Dear Tom:

This letter is in response to your letter of March 20, 1985 enclosing additional questions arising from the hearing of your subcommittee on March 19 concerning the future of the Emergency Veterans Job Training Program (EVJTA). Let me say at the outset that your follow-up questions are appreciated as an indication of your willingness to work closely with The American Legion toward improving programs designed to assist veterans.

In question one, we are asked whether or not a flexible rate of assistance for employers based on the length of time a veteran was unemployed before placement on the job under the EVJTA would be workable and beneficial to the neediest veterans. While it is possible that a flexible rate could work in assisting some veterans by maintaining maximum incentives for employers hiring veterans unemployed the greatest length of time, it seems more likely that a decrease in employer incentives for employers of veterans employed lesser lengths of time would discourage potential employer participants.

In that regard, nearly every witness at the hearing of March 19 agreed that the disparity between the number of certifications under the program and the number of placements in jobs is due to the need for proper matching between prospective employers and skill levels of veterans certified as eligible. If a veteran is eligible to participate in the EVJTA, but lacks rudimentary skills necessary to successfully satisfy a potential employer / trainer of the veteran's potential on the job, the length of time a veteran has been unemployed will prove to be irrelevant. If, by the same token, a prospective employer perceives a change in the program which reduces benefits available for hiring and training better candidates having been unemployed less than 15 of the previous 20 weeks, some employers can be expected to turn away from EVJTA altogether.

Our response to your second question is somewhat related to our response to the first. Indeed, we did state a view that little or no increase in veteran applicants should be expected if the 15 week unemployment criteria were reduced to 5 weeks. We based this statement on discussions with and observations of several individuals within the veteran / employment community such as State and Assistant State Directors of the Veterans Employment Service, Disabled Veterans Outreach Program specialists, Local Veterans Employment Representatives in job offices and Community Based Organizations, among others.

We note, for example, that the February 1985 report of the Bureau of Labor Statistics outlining the latest unemployment figures shows total veteran unemployment to be 416,000. Importantly, this figure accounts for veterans of all eras

rather than just Vietnam era and Korean veterans. Of this number, 296,374 have been certified as eligible for participation in EVJTA. Moreover, subtracting the number of those already certified under EVJTA from the total of all unemployed veterans leaves very little room for significant numbers of additional new applications even after accounting for the 25,420 veteran applicants that have been placed.

Mr. Chairman, as we also noted at the hearing in our verbal remarks, the several employment programs available to veterans are carefully tailored to specific needs. If it is assumed that a significant portion of veteran unemployment is "hard core" or structural in nature, it may be that EVJTA is the wrong program for many either having already been certified as eligible or those who might apply in the future. As with the point made in question one, the matching of veterans with potential employers is critical to placement of veterans. If we are correct in our assumptions about who makes up the ranks of veteran unemployment, at this point in time, the Targeted Jobs Tax Credit program providing generally lesser paying jobs with lower levels of responsibility would likely be the program of choice for many EVJTA eligibles.

In the main, it seems axiomatic that a program like EVJTA would tend to place the most qualified veterans first. Assuming that this "creaming" phenomenon has already taken place, reducing the duration of unemployment required under EVJTA can be expected to increase future placements of the veterans the program was designed to assist; those who have basic or adaptable skills, but who become unemployed through no fault of their own. Additionally, for purposes of future program applications in the event of a new recession, the changes in unemployment duration qualifying veterans might act to save funds otherwise spent on unemployment compensation for protracted lengths of time before a veteran could apply for participation in EVJTA.

In question three, we are asked to explain the apparent contradiction between our suggested triggering mechanism and the problems posed by a loss of momentum if the program is allowed to "cool down". True it is, momentum critical to the administration of the program might be lost if a triggering mechanism were put in place reactivating the program if veteran unemployment reached a set threshhold. Though contradictory, the context of our comments may clarify the issue.

When this program was on the Congressional drawing boards in the face of the nation's deepest recession since World War II, it took nearly a year to get the program authorized, funded and available for veterans across the nation. Our thoughts on a triggering mechanism arose from a desire to continue a structurally sound program rather than allowing it to terminate. Were the nation again to find itself deep in recession with millions of individuals added to the unemployment rolls, a triggering mechanism allowing the program to exist, though in hibernation, could more quickly be made to respond to the economic exigency. A further reason for suggesting a trigger was designed to accommodate anticipated committee concern with the integrity of EVJTA as an emergency program. It may be that making the program permanent is the best solution to the problem of lost momentum as the program winds down. We would certainly welcome that option, but like yourself we recognize the prospects in the current fiscal climate as being poor.

Yet another alternative, in that regard, would make the program permanent but directed at those states and metropolitan areas around the country where high unemployment has been the most recalcitrant. Should the Ways and Means Committee favorably

approve legislation targeting extended unemployment benefits in this fashion, this would be a prudent and consistent alternative for the Veterans Affairs Committee to consider.

In question four, The American Legion is asked to describe its efforts undertaken to familiarize employers with EVJTA. Our efforts, in that regard, have been as comprehensive as possible. Shortly after the program was enacted, our National Commander appeared with then Assistant Labor Secretary William Plowden on the Chamber of Commerce's Biznet program to promote employer participation directly. Our Economics Division has published and distributed nationwide its pamphlet, "Veterans Economic Entitlements". That publication highlights the EVJTA prominently. Additionally, we have featured this program in several in-house publications that reach either the entire or selected portions of our membership. These include The American Legion Magazine, American Legion News Service publications, Advance, National Legislative News Bulletin, and Economic Nuggets. We have further promoted the program at various conferences and seminars around the country sponsored by both the Legion and others.

Returning to the triggering option discussed in question three for the purpose of answering question five, if a triggering option were considered perhaps a comparative threshhold would be appropriate. For example, if veteran unemployment rates exceeded those of similarly aged nonveterans by 2 percent nationwide, an emergency supplemental appropriation could be called for.

Before concluding this letter, there is one further matter deserving comment. At the hearing, all veterans organizations presenting testimony agreed that the 14 year educational limitation on eligibility for the Veterans Readjustment Appointment Authority should be relaxed with the exception of one organization. In our view if that organization's supposition that relaxing the educational limitation would work a hardship on disabled veterans who are currently exempt from any educational limitation is to be heeded, we believe it to be incumbent upon that organization to provide compelling evidence supporting its claims. Without a relaxation of the educational limitation, few if any veterans will qualify for placement beyond the G.S.-5 or G.S.-7 levels.

Hopefully, this response adequately addresses your follow-up questions. Should you desire further clarification, please feel free to contact the undersigned at your earliest convenience. As always, we appreciate your attention to the Legion's views.

Sincerely,

Paul S. Egan

Paul S. Egan, Deputy Director
National Legislative Commission

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March 20, 1985

Mr. James N. Magill
Assistant Director
National Legislative Service
VFW
200 Maryland Avenue, N.E.
Washington, D.C. 20002

Dear Jim:

I regret that time did not permit asking you all of the questions that the Members of the Subcommittee had planned to submit to you at the hearing of March 19, 1985, on H.R. 1408, the Veterans' Employment Amendments of 1985.

It will be appreciated if you will provide the Subcommittee with the answers to these questions by close of business, Friday, March 29, 1985.

1) OPM opposes the increase in VRA appointments from GS-9 TO GS-11 on the grounds that it is inappropriate. How would you respond to this evaluation?

2) Would you support a provision to reduce the unemployment criteria from 15 to 5 weeks for disabled veterans only?

3) What efforts has your organization made to familiarize employers with EVJTA?

Sincerely,

THOMAS A. DASCHLE
Chairman
Subcommittee on Education,
Training and Employment

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VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

March 29, 1985

Honorable Thomas A. Daschle, Chairman
Subcommittee on Education Training
and Employment
Committee on Veterans' Affairs
U. S. House of Representatives
Washington, DC 20515

Dear Chairman Daschle:

Please find enclosed the Veterans of Foreign Wars response to questions submitted by you with respect to the Emergency Veterans Job Training Act.

With best wishes and kind regards, I am

Sincerely yours,

Donald H. Schwab

Donald H. Schwab, Director
National Legislative Service

Enclosure

★ WASHINGTON OFFICE ★
VFW MEMORIAL BUILDING ● 200 MARYLAND AVENUE, N. E. ● WASHINGTON, D. C. 20002 ● AREA CODE 202-543-2239

CHAIRMAN DASCHLE TO VFW

Question 1. OPM opposes the increase in VRA appointments from GS–9 to GS–11 on the grounds that it is inappropriate. How would you respond to this evaluation?

Answer. Our initial response is that the Office of Personnel Management, in opposing the entry level for the VRA at GS–11, has forgotten that they are provided flexibility in staffing professional positions. Personnel managers, when confronted with a professionally competent candidate who does not fully meet the requirements of a specific position, may apply three basic approaches:

1. The position classification approach which allows for the reconstructing of the position so that it fits the qualifications of the candidate.

2. Qualifications examining approach and the integrated position classification and qualifications examining approach for interdisciplinary positions.

3. Time spent in the United States Armed Forces may be counted for preference eligibles as an extension of his civilian experience or evaluated on its own merits.

Thus, the federal personnel officer has been provided the latitude to evaluate the individual, as well as the position to make independent decisions to the appropriateness of the individual to adequately perform the requirements of the position. If an individual has supervisory and other work related experiences and has fulfilled the educational requirements, there is no rationale for restricting his entry level. As in all employment matters, the decision to fill should rest with the personnel manager on a case-by-case basis. Not all veterans will enter at this higher level.

Question 2. Would you support a provision to reduce the unemployment criteria from 15 to 5 weeks for disabled veterans only?

Answer. Although the Veterans of Foreign Wars sympathizes with the plight of our disabled veterans, we feel that it would be an injustice to those veterans of the Vietnam and Korean era who continue to experience unusual and extreme hardships in finding meaningful employment. Of the 370,995 veteran applications, we have been informed that approximately 30,000 of these applicants are disabled veterans. An effort is being conducted by the Vocational and Rehabilitation training, which includes job placement assistance. We, in the VFW, do not emphasize disability in employment efforts but emphasize ability. It is our contention that the Emergency Veteran's Job Training Act is the most significant employment and training program available to veterans in existence today and that by restricting the target audience would be a disservice to our country's veterans.

Question 3. What efforts has your organization made to familiarize employers with EVJTA?

Answer. The Veterans of Foreign Wars, utilizing all of its resources, has made an attempt to promote the awareness of the veteran community and the employer community, of the benefits of the Emergency Veterans Job Training Act. We have published posters, ad mats, public service announcements, as well as have written to the Governors of each state and the Mayor of the District emphasizing the significance of EVJTA in helping alleviate the veterans unemployment rate in their particular area and suggested the appointment of a veterans' organization representative to Job Coordinating Councils, Private Industry Councils, etc. We have written our State Commanders and encouraged them to contact the State Representative of the Employer National Job Service Committee to also assist in promoting the awareness of employers within their particular states. We have contacted recipients of JTPA, Title IV C grants that are primarily oriented toward outreach in order to promote the awareness of EVJTA, and have targeted 15 states for special attention, as well as one community within those 15 states. This special attention has consisted of an intensive letter writing campaign to public officials, employers, Employment Service representatives, Veterans' Employment and Training representatives, employers and service organization representatives. Our most recent correspondence dated 21 March 1985 congratulated the Directors of the Employment Service and the State Directors of Veterans' Employment who have exceeded the goals established by the Assistant Secretary for Veterans' Employment and Training for their efforts in support of the Emergency Veterans' Job Training Act. We have provided speakers and attended conferences in which the thrust has been to promote awareness of veterans and employers with respect to the benefits of the Emergency Veterans' Job Training Act.

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March 28, 1985

Honorable Tom Daschle
Chairman, Subcommittee on Education and Employment
Committee on Veterans Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr Chairman,

Thank you for your letter of March 20, 1985 concerning the recent hearing of the subcommittee which examined the future of the Emergency Veterans Job Training Act (EVJTA). I believe valuable information was elicited during the hearing which will enable the Congress to fine tune the program as moves it toward reauthorization.

In your letter you posed several followup questions for our comment. VVA's response to these questions is included as an attachment.

I cannot stress too highly the importance which we at VVA aatach to the continuance of this program. We believe that substantive, career-oriented jobs are vital to ultimate readjustment success for large numbers of Vietnam veterans.

I look forward to working with you and other members of the subcommittee on this important program.

Sincerely,

Dennis K. Rhoades

DENNIS K. RHOADES
Executive Director

CHAIRMAN DASCHLE TO VIETNAM VETERANS OF AMERICA, INC.

Question 1. In your statement you point out that veterans employed under this program become tax payers, not tax users. Would you elaborate on the cost benefit aspects of EVJTA?

Answer. EVJTA not only benefits the veteran but also ultimately benefits the taxpayers of the United States. The program benefits taxpayers in two ways. First, over the short term, EVJTA immediately makes the veteran a taxpayer, since he or she is employed during the training period. A veteran entering a $16,000 per year job will pay at least $1600 in federal taxes during the first year. Since the cost of the program for that veteran will be approximately $4000, this means that 40 percent of the cost of training is returned to the Federal Treasury during the first year of employment alone. This offset does not include other considerations such as unemployment insurance, AFDC, food stamps and other costs in taxpayer dollars which are obviated by the veteran's employment. Second, there is a long term benefit to taxpayers in this program. As we indicated in our testimony, many Vietnam veterans have suffered recurrent periods of unemployment which are directly attributable to lack of skills, and consequent vulnerability to being last hired and first fired. Skill training under EVJTA should go a long way toward assuring that the cycle of employment and unemployment is finally ended for veterans trained under this program.

Finally, as we indicated in oral testimony, the Congressional Budget Office estimates that the cost of a year's unemployment for any individual to the economy is $24,000 per year. Given the consistent unemployment history of Vietnam veterans at between 400,000 and 600,000, this translates into a cost of $10 billion per year to the economy and is a tragic waste in human potential as well.

Question 2. The Administration has testified that this program is no longer needed because veterans unemployment is down. On what grounds do you disagree with this view?

Answer. It is useful to remember that the Administration claimed this program wasn't needed when there were nearly 900,000 Vietnam veterans unemployed, or double the number now. The economic reasons espoused by the Administration for opposing this program are therefore utter hypocrisy. Even if one were inclined to take OMB's arguments seriously, the economic perspective clearly ignores the fact that unemployment among Vietnam veterans has not really abated in nearly a decade and a half. There have been at least four separate periods during the last fifteen years that unemployment for the group has reached alarming proportions. If there were no underlying structural problem, then these cyclical rises should not be recurring. It is certainly true that they recur amongst the general population. The Vietnam veteran group, however, is an aging population. Since there is a close correlation between age and unemployment, one would expect that the problem would have vanished by now, with most Vietnam veterans approaching middle age. The fact is, the problem has not gone away as it did with World War II and Korean veterans. If we are ever to come to terms with unemployment among Vietnam veterans, we must tailor our remedies to address structural job problems. VVA believes that EVJTA does just that.

Question 3. What efforts has your organization made to familiarize employers with EVJTA?

Answer. VVA continues to be among the most active of all veterans organizations in the promotion of EVJTA both to the veteran and employer communities. VVA chapters across the nation have alerted employers to the program, assisted them in making application for participation, and matched veterans to jobs. The VVA National Office has provided technical assistance to chapters and employers. We provide continuing publicity for the program in our publications.

PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

STATEMENT FOR THE RECORD BY R. DENNIS SMURR

ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

PRESENTED TO THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING H.R. 1408, A BILL TO

EXTEND AND IMPROVE THE EMERGENCY VETERANS' JOB TRAINING ACT

MARCH 28, 1985

Mr. Chairman and Members of the Subcommittee, I appreciate this opportunity to present the views and concerns of the Paralyzed Veterans of America in regard to H.R. 1408. Under this legislative proposal, the Emergency Veterans' Job Training Act of 1983 (EVJTA) would be extended an additional 10 months by amending Section 17 so that veterans may apply for participation through December 31, 1985 and an employer may begin a program of training through July 1, 1986. Also, the requirement that an eligible veteran be unemployed 15 of the twenty weeks prior to making application to the program would be reduced to five of the last twenty. In regard to the extension provision, PVA is in full accord over the need to extend this important employment program designed to assist long-term unemployed veterans. We

believe the EVJTA is just beginning to demonstrate its positive impact as being a sound incentive for employers to hire and train veterans.

It should be remembered that this employment program got off to a rather slow start. Having been enacted by Public Law 98-77 on August 15, 1983, the EVJTA was to have been funded at a level twice that which was finally appropriated. Initial funding was not made until November, 1983, and then only after two separate funding bills earmarked the requested $150 million for the program's first year of operation. It must be remembered, too, that $20 million of that appropriation was shifted to the readjustment benefits account for educational assistance leaving only $130 million for the EVJTA employment program. The additional $150 million that was originally authorized in Public Law 98-77 was never appropriated nor requested by the Administration or by the Congress.

From the information we have been able to compile, despite its slow start the EVJTA program has been able to certify over 300,000 veterans as eligible -- those being unemployed for 15 of 20 weeks prior to making application. Over the course of the program over 43,000 employers have had training programs certified as acceptable which constitutes a potential market of over 100,000 new jobs for veterans. To date, however, only about 26,000 veterans have been successfully matched to a prospective employer and placed in jobs under EVJTA. This is not to say the program is unsuccessful, far from it. PVA would rather go on record stating that EVJTA is just beginning to fulfill its promise.

We would also go on record as being in opposition to changing the eligibility criteria for the EVJTA program. To reduce the eligibility from 15 to 5 weeks of unemployment would have two negative effects -- first and most important, it negates the original intent of the legislation, which was to assist those long-term unemployed. Secondly, and of equal importance, it would break faith with the more than 270,000 veterans who have already qualified for the program, but have yet to be placed. In addition, to reduce the eligibility criteria would only serve to benefit employers, not veterans, and would in turn exacerbate this already under-funded program. The $100.3 million already expended was done so to identify and benefit the long-term unemployed veteran. To allow the remaining funds to be spent, otherwise, would simply be an effort to "wholesale" the program and to give up on those veterans most in need.

In reference to Section 3 of H.R. 1408, which would amend Section 2014(b)(1) of Title 38 of the U.S. Code, making changes within the Veterans' Readjustment Appointment (VRA) program, PVA must question the rationale behind these two proposals. The one proposal would increase from GS-9 to GS-11 the maximum entry grade level for VRA placement. Granted this change may benefit a few new VRA hirees; we have difficulty understanding why it is warranted at this time when the maximum entry grade level was just increased to GS-9 last year as part of Public Law 98-543. Therefore, we view this proposal as premature, at best, since little or no evidence exists to verify that the GS-9 entry grade is in fact detrimental to an effective VRA program. The only justification PVA can see for such an increase in VRA entry grade is if such a change is directly tied to the other proposal, which would remove

the 14 year educational restriction which is currently imposed upon nondisabled veterans.

PVA has serious reservations over the prospect of removing the 14 year education ceiling, for to do so would go against the original intent of the VRA program. The Veterans' Readjustment Appointment authority was established in 1970 by President Nixon to provide improved employment opportunities for disadvantaged Vietnam era veterans. It was a safeguard employment program, which was created to assure those Vietnam era veterans who were disadvantaged either by service-connected disability or by educational interruption that the federal government would provide certain noncompetitive trial employment opportunities. Thus far, the VRA authority has functioned well toward fulfilling that responsibility in that more than 250,000 disadvantaged veterans have been placed in federal employment.

To remove the 14 year educational restriction and allow a nondisabled veteran with more than two years of college or trade school to avail themselves of the VRA employment opportunity seems to us to go against the safeguard intent of the program. It places the disadvantaged veteran, whether by virtue of his service-connected disability or his educational deficit, in direct competition with his nondisadvantaged peers. It is difficult for us to consider a college graduate without a service-connected disability as being disadvantaged and in need of the special federal employment consideration granted under the VRA authority, especially since no data has been presented to the Subcommittee indicating to the contrary.

In conclusion, PVA trusts that the Subcommittee will remember the original intent of the two programs addressed in H.R. 1408 and would consider such, in light of the changes proposed. We would also encourage the Subcommittee to consider ways to have the $20 million that was channeled out of the EVJTA program be reinstituted, especially since H.R. 1408 does not request additional monies to carry the program past its targeted termination date. If such a monetary shift could occur, approximately $70 million would exist, and if those monies were directed solely to the long-term unemployed veterans already certified, it would go far to assist those veterans whose needs are the greatest.

America is #1
Thanks to our
Veterans

SOUTHERN CALIFORNIA VETERANS EMPLOYMENT COMMITTEE
ADVISORY TO THE CALIFORNIA JOB SERVICE
EMPLOYMENT DEVELOPMENT DEPARTMENT
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March 15, 1985

The Honorable Thomas A. Daschle
Chairman for House Veteran Affairs
Subcommittee on Education, Training
and Employment

Dear Congressman Daschle:

The Southern California Veterans Employment Committee would like to extend its thanks to you for your support of veterans programs and especially for your Resolution H.R. 1408 designed to extend and modify PL 98-77, The Emergency Veterans Job Training Act.

Our membership voted unanimously at our semi-annual meeting held March 14, 1985, to support your efforts in the upcoming hearing on H.R. 1408.

The Emergency Veterans Job Training Act (PL 98-77) has been the single most effective way of helping the Korean and Vietnam veteran find meaningful work.

This program has been successful due to the minimum amount of red tape. The program gives the unskilled unemployed veteran something to offer the employer for the needed training in order to have a chance for a long term career.

We will continue to work hard to support H.R. 1408, the extension of PL 98-77, here in California.

Sincerely,

Ray Krinsky

RAY KRINSKY, Chairperson
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PREPARED STATEMENT OF VINCENT I. QUIRK, SERVICE OFFICER, POST 248, DEP'T OF MD, THE AMERICAN LEGION

Mr. Chairman and Members of the Committee:

1. It is my responsibility as a Service Officer within The American Legion (AL) to aid and/or assist all veterans with problems and dealings they may encounter as a direct result of their veteran status, (i.e., problems and requests from the VA, military board for correction of service records, social security, etc.).

2. Over the past twenty three years as Service Officer within three different military fraternal organizations I have observed both the incorporation of new, and modification to older veteran benefit programs. NEVER before have I been witness to any veteran program that has had such a drastic positive effect upon my comrades as the recently enacted Emergency Veterans' Job Training Act of 1984. Not only has this effect been observed in the intra and interpersonal feelings and communications of my comrades but also this program has also had a drastic impact upon our society as I will explain.

3. I have been directly involved with three veterans and indirectly involved with two other veterans in respect to this program. I would like to disclose two of these veterans stories as it may indicate to you exactly how meaningful this program is and why Congressman Thomas A. Daschle's(D-SD) Veterans Employment Amendments of 1985 (H.R. 1408), should be enacted. (As these veterans problems and difficulties were told to me in confidence, I feel there is a binding judicuary understanding that prevents me from disclosing specifically who they are. Therefore, I shall simply refer to the as Veteran A and Veteran B).

4. Veteran A is a veteran of the Korean Conflict, Aged 56, divorced with one child who is 28 years old. He received an acute infection to his right hand on the thumb joint when he lacerated his hand while prunning a fruit tree. His medical treatment consisted of a three week hospitalization, surgery, and skin grafts. He was unable to ~~work~~ work and perform his duties as a stock/warehouseman for a large food chain store. Veteran A was finally released from his position of 19 and one half years after five weeks of sick leave. He only

received sick pay for three of those five weeks. His salary at time of dismissal was $3.65/hr. This Service Officer assisted him with the filing of a claim to Social Security for SSI benefits. As his disability was not permanent in nature, Social Security turned down his claim. At the same time I also Assisted him with a claim to the Prince George'S (P.G.), Md., Public Assistance (PA) office. He started to receive $85.00 cash and $79.00 food stamps per month from PA which was added to his $66.00/mo income from the union for his total retirement. It was impossible at his age to be rehired as a clerk by any concern and return to his normal line of work. For more than 7 months he was unemployed. In order to survive he was forced to take a roomate into the trailer he was living and share expenses. His daughter, (a medical administrator in Tampa, Fla.), assisted him by sending him $100.00/mo. He constantly attempted to find work to no avail.

5. Within three weeks of him receiving his Certificate of Eligibility for the Emergency Veterans Job Training Act he was able to obtain a position as a parts clerk for a large auto parts store. His starting salary was $4.80/hr. It is my understanding that at the end of the VA's nine month period of paying back one half his salary to his employer, his salary should be approximately $5.40/hr. With Veteran A the benefits are quite evident and are highlighted as follows:

a) $164.00/mo immediate savings to the taxpayers due to his removal from PA roles,
b) Increase of payment of taxes on $4.80/hr from $3.65/hr (old wage),
c) possible future increase of payment on $5.40/hr from $3.65/hr,
d) extra $100.00/mo back into the economy from the monies that will be spent by his daughter.

At a cost of $8640 over a nine month period, our society will see an immediate return of $264 cash/mo. Also simple mathematics will indicate an increase of federal and state/local taxes will be increased from an old rate of $7592/annum to a new rate of $9984/annum at this time, and possibly as high as $11,232/annum, at the end of his nine month training period. This asset to our society could not have been possible without this veterans' program. It is necessary to utilize statistics and mathematics to convey an idealogy and the benefits our society receives from different programs, what cannot be expressed but only observed, is the total change of attitude and outlook this veteran has within our society.

6. Veteran B is a 60% disabled veteran from the Vietnam Conflict, married, three children, aged 36. Veteran B has an extremely high cognitive ability and was trained as an electronics technitian in the marine corp. Veteran B never has been able to adapt to "normal" life's situations as our society has dictated them to be since discharge from the marines, until the action upon his part to utilize the Emergency Job Training Act of 84 for veterans.

7. He has a history of eratic employment since his medical severance from the military in 1971 due to combat injuries. Prior to his present employment the interpersonal relations with his family were extremely strained. Veteran B did take advantage of the VA's Rehabilitation Program and received an AA degree from the Prince George's Community College, Md. Due to his disabilities from the service it was impossible for him to obtain gainful employment. This Service Officer found out personally from two of the prospective employers that they could not hire him due to workmen's compensation insurance problems. This veteran refused my advice of persueing the matter with the EOC of the county and state of Md. The family was receiving PA monies, food stamps, utilizing the county health clinics for ALL medical problems, and was enrolled in the P.G. County Schools Systems free lunch program. In addition to the above outlay of taxpayers monies, on many occasions tax monies were used to evict this family from several apartment complexes on a regular basis over the past four years prior to this veterans enrollment into the job training program. One can only surmise the self-worth this decorated combat veteran thought of himself.

8. Within six weeks of receiving his Certificate of Eligibility Veteran B had a job with a large computer corporation as a servicing technician. I personally do not know but can only assume his annual salary to be approximately 12-15K/annum with a vehicle to utilize not only for company business but also for personal use. This veteran has reassumed his responsibility to adjust to the standards of society and is again in group therapy with other combat veterans. His children are once again in a stable family environment and he and his wife are assuming mature attitudes to face life together and are making plans accordingly.

9. Society, as with veteran A, is receiving benefits from Veteran B's adjustments back into society as a direct result of the Emergency Veterans' Job Training Act of 1984 in both the form of increased tax revenues and the removal of the family from the PA roles.

10. These two stories have been the most dramatic of the five veterans I have been responsible to concerning this specific veteran's program. However, I can assure you from personal contact with the other three veterans, it has not been any less meaningful to them, nor has our society reaped any less of a benefit.

Sincerely,

Vincent I. Quirk

cc: House Veterans Affairs Committee
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Military Order of the Purple Heart

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Statement of

Maurice E. Loir
Legislative Director

to the

Subcommittee on Education, Training and Employment
Committee on Veterans Affairs
U.S. House of Representatives

March 19,1985

Mr. Chairman and Members of the Committee:

The Military Order of the Purple Heart appreciates this opportunity to present our views on proposed changes in the Emergency Veterans Job Training Act, P.L. 98-77. We see too, that H.R. 1127 contains a provision regarding the VRA program, and we will offer our views on that further on.

Instead of specifically discussing the proposed legislation, let me simply say that our organization fully supports extension and/or expansion of this program.

EVJTA got off to a very slow start and, unfortunately, it may come to an end before it really gets rolling. Certification of eligible veterans has run much too far ahead of actual placements. It is difficult to explain this slowness without looking at specific areas and try to identify the problems in those areas. Extending the program will not accomplish very much unless we make an attempt to deal with the problem areas.

In speaking of the problem areas, I can speak of my home state of New York with some knowledge. The central and western area, with a much smaller part of the veteran population, appears to be doing all right. Downstate, in the New York City metropolitan area, seems to be getting shortchanged. This is where we have the major part of the veteran population, close to one million.

There are several items that can be singled out. Among them are:

- restrictions placed on the DVOP staff that limit potential job development,
- part time LVER staff that limits potential employer contact and job matching,
- additional Job Service staff in supervisory levels without any clearly defined responsibility,
- inadequate promotional materials along with very little utilization of the media,
- assignment of VETS, LVER, and DVOP staff that is totally out of proportion with veteran population data.

All of this adds up to a lackadaisical approach to veterans employment is when a conscientious effort would solve many of these problems. DOL's VETS bears the major responsibility here.

Afurther arguement for extension and expansion of EVJTA lies with numbers. The goal for New York State is a total of 7,610 job placements. Yet there are at least nine counties that have that number of veteran applicants in Job Service files. In at least half of those counties, the number of Korean and Vietnam era veterans alone will exceed the planned goal. How many other states have a similar situation?

Certainly, we cannot speak of expanding EVJTA without speaking of money. The size of the deficit is a strong arguement against any expansion. Yet if we consider the cost of unemployment insurance, the possibility of increased welfare, food stamps, medicaid, etc.,

the cost of reimbursing employers to create jobs is by far, the lesser cost. Jobs also mean payroll tax collections. This really amounts to some pump priming to obtain a full flow of water.

Section 3 of H.R. 1122, will amend 38 USC 2014(b)(1) to expand the VRA program. We must admit to some mixed feelings on this proposal. On the one side, we agree with any expansion of employment opportunities for the veteran. On the other side, we remember that this program was created to help the poorly educated veteran with limited job skills.

The grade of GS-11 requires extensive education and/or specialized experience. With an entry level salary of more than $26,000 per annum, should we permit non-competive appointments? Disabled veterans do have an edge in the normal competitive process, an edge that is really more than the usual ten points. Can this really be described as readjustment?

For the most part, the different agencies may welcome this proposal. Hiring someone at the GS-11 level through the normal civil service process, can easily mean a wait of up to a year before that person is on the job. VRA will mean a short-cut and will cut much of the red tape.

As already noted, we are of mixed feelings. We question whether or not this could be truely described as "readjustment". This proposal does not really have any impact on the disabled veteran, but it gives the non-disabled veteran a greater advantage. We feel that the emphasis should be on the disabled veteran, and since he or she is pretty well taken care of, we are inclined to oppose this change.

Once again Mr. Chairman, we thank you for this opportunity to present our views to the Committee.